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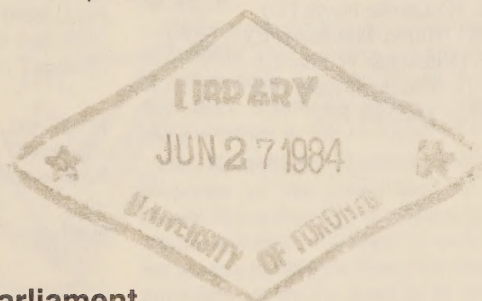
Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Tuesday, March 6, 1984

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Chairman: Barlow, W. W. (Cambridge PC)
Vice-Chairman: Williams, J. R. (Oriole PC)
Lane, J. G. (Algoma-Manitoulin PC)
Laughren, F. (Nickel Belt NDP)
Lupusella, A. (Dovercourt NDP)
Mancini, R. (Essex South L)
McLean, A. K. (Simcoe East PC)
Piché, R. L. (Cochrane North PC)
Riddell, J. K. (Huron-Middlesex L)
Sweeney, J. (Kitchener-Wilmot L)
Watson, A. N. (Chatham-Kent PC)
Wiseman, D. J. (Lanark PC)



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, March 6, 1984

The committee met at 10:17 a.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982

Mr. Chairman: As committee members should be aware, we are here for three sittings, as was approved by the House on December 16. The standing committee on resources development scheduled itself to consider for three sittings the annual report of the Workers' Compensation Board for the year ended December 31, 1982, in accordance with subsection 85(2) of the Workers' Compensation Act, and to consider Bill 141.

Oh, we have already dealt with the bill; what we are talking about here is the three sittings.

We have all scheduled our time for three days, so probably this would be something for us to consider—this is only a suggestion. I will leave it up to the committee for a decision—but perhaps we should consider sitting three mornings.

Gentlemen, I am open to suggestions from the committee. It is in your hands.

Mr. Laughren: Say that again?

Mr. Chairman: We are scheduled for three sittings; not three days, only three sittings. I am throwing out for discussion, to put it that way, that we sit for the three mornings: Tuesday, Wednesday and Thursday morning.

Mr. Laughren: I would suggest you throw out your suggestion, period. I think the understanding of the members is that it means three days of hearings if we need the time.

Mr. Chairman: The order has authorized only three sittings.

Mr. Laughren: One sitting today, one sitting Wednesday and one sitting on Thursday, from 10 a.m. until 4:30 p.m. That is a rather exotic interpretation you are giving us.

Mr. Chairman: No. Standing order 16 states, "The term 'sitting' means a period of two and one half hours, and the term 'sessional day' means any day on which the House sits."

Mr. Mancini: Mr. Chairman, may I say that the review of the Workers' Compensation Board at any time is always extremely contentious. In view of the contentious matters that the board always seems to surround itself with, it is unfortunate that we are now even going to debate

the amount of time we are going to spend with the board. I discussed this matter with my colleague the member for Huron-Middlesex (Mr. Riddell). It is our view that the Clerk of the House has informed us, through those yellow sheets that are sent out, that we would be sitting from 10 a.m. until 12 noon and from 2 p.m. until 4 p.m. We have made plans to be here for that time.

The chairman of the Workers' Compensation Board will be making his opening remarks this morning; I will be making some remarks and I believe the member for Dovercourt (Mr. Lupusella) will make some remarks for the New Democratic Party. That will eat up most of the morning and perhaps some part of the afternoon and will leave us almost no time at all to discuss the very important matters of the board.

I think we should follow the instructions that were sent to all committee members, to be here from 10 to 12 and also to be here in the afternoons. I would hate to get into a protracted debate over how many hours we should sit, in view of the tremendous importance of the board and in view of the many questions we have and the many important statements we wish to get on the record.

I hope we do not bog ourselves down in trying to decipher what we have already considered to be instructions from the House to be here for three days. Maybe my colleague might want to add something to that on behalf of our party.

Mr. Riddell: Mr. Chairman, I am always very conscious of the expenditure of taxpayers' money. It is a sheer waste to bring us in from the various extremes of Ontario to sit for half a day but to keep us here for three days and pay us for three days. If we are going to be paid for three days, I want to put in three days of work on this committee.

It is ridiculous to suggest that the committee sit for three mornings instead of three days. I see no reason in the world why we cannot sit for three days. I do not think there are any hard, rigid, fast rules laid down by the government that we can sit for only half a day for three consecutive days. Surely we can bend the rules in the best interests of not only the injured workers but also all Ontario taxpayers.

Mr. Laughren: What was the understanding of the board?

Mr. Gillies: Mr. Chairman, we from the ministry and the board are at the committee's disposal at any time the members see fit to sit.

Mr. Laughren: Then there is no problem sitting for the three days?

Mr. Gillies: We are easy either way.

Mr. Chairman: Frankly, I came here today with the same understanding, that we were here for three days. However, we are authorized by the House to have three sittings.

Mr. Laughren: That does not mean we cannot sit for three days. It is up to us to set our own schedule.

Mr. Chairman: I guess we can sit here and talk—

Mr. Laughren: Mr. Chairman, the standing committee on administration of justice on which I served earlier this winter did not hesitate to sit evenings despite the fact that was setting precedent.

Mr. Piché: Mr. Chairman, I think we should sit for three full days, morning and afternoon. We should get on. If, during the day, you feel we are doing something we should not because of the wording, then you could bring us back to this matter; but today I think we should sit this morning and this afternoon. I would like to suggest that to the committee.

Mr. Chairman: It has already been suggested. Any further comments? I came here with a clear understanding we would sit for three days.

Mr. Piché: We all came here to sit for three full days, morning and afternoon.

Mr. McLean: Mr. Chairman, we should sit today and I think you should talk to the clerk and get clarification. If we sit for only three sittings, then we will sit tomorrow morning and that will be it.

Mr. Mancini: Mr. Chairman, the recommendation of the member for Cochrane North (Mr. Piché) is not acceptable. We are here for three days or we are not here for three days.

Mr. Piché: I just said we are here to sit for three days and let us sit for three days, morning and afternoon. That is Tuesday, Wednesday and Thursday.

Mr. Mancini: That suggestion is fine.

Mr. Piché: Unless, I should add, we have to go with the rules; we may have to check out the wording.

Mr. Mancini: You cannot do it both ways, Mr. Piché.

Mr. Chairman: Let us sit on the basis that we are going to be here for the three days. Let me seek some advice, because we are definitely authorized by the House to sit for only three sittings. I was not aware of that when I came in here this morning, quite frankly. I really was not; none of us were.

We shall proceed on the basis that we are going to sit for three days. If we run into some procedural problem, we will discuss it at that time.

I would now like to call on the member for Brantford (Mr. Gillies), the parliamentary assistant to the Minister of Labour.

Mr. Gillies: I am very pleased to be representing the Minister of Labour (Mr. Ramsay) at these hearings. The minister sends his regrets he is unable to be with us this week, but he is representing the province at the meeting of Manpower ministers in Saint John, New Brunswick. I will be here on his behalf.

I would like to introduce to you the various officials we have with us, from both the ministry and the Workers' Compensation Board, who are at your disposal to discuss the various issues and answer questions regarding the review of the 1982 annual report.

I am sure all members of the committee know the Honourable Lincoln Alexander, the chairman of the board, who is sitting next to me. Next to Mr. Alexander is Alan MacDonald, the vice-chairman of administration. Next to Mr. MacDonald is the Deputy Minister of Labour, Tim Armstrong. Over against the wall we have Mr. Bob Reilly, the assistant general manager of the board. Next to Bob is Tom Warrington, who is the vice-chairman of appeals.

With the committee's indulgence, I would like to call to the table three people representing the three branches at the board we thought you may have the most questions on. I would ask Mr. John McDonald from the claims branch to come forward, Dr. Bob Mitchell from the medical branch and Mr. Art Darnbrough from the rehabilitation division.

We are all at your disposal.

Mr. Mancini: What are the names again?

Mr. Gillies: John McDonald from the claims branch, Dr. Bob Mitchell from the medical branch and Art Darnbrough from rehab.

We are at your disposal, gentlemen of the committee. I would like to turn the proceedings over to Mr. Alexander, who will make an opening statement.

Hon. Mr. Alexander: I am delighted to have this opportunity to come before the committee

again in order to discuss the board's 1982 report. I can recall the last time we were here. I believe the board and the act made reference to "workmen" and I guess there has been a significant improvement in that regard in as much as it is now "workers."

I am very pleased to note there was that ready initiative taken by the government and by the opposition members to see to it that was brought into fruition, which was an undertaking given at that time.

Thanks very much for bringing John McDonald, Dr. Mitchell and Art Darnbrough to the front. As you indicated, Mr. Gillies, most of the questions, although not all, will be directed to them.

10:30 a.m.

I would say, too, that in the report tabled by your committee I was very pleased to read reference in particular to Doug Cain, Bill Kerr and John Neal, the first of whom was the director of the claims review branch. Bill Kerr, who is no longer with us, was the senior executive director and assistant general manager, and John Neal is the head of our actuarial department. All of them apparently made a very significant contribution to your—

Mr. Chairman: They most certainly did.

Hon. Mr. Alexander: Thank you very much. I was very pleased to see that they were so properly recognized.

I believe you all have the 1982 report. If I am not mistaken, copies of my speech should be before the members of the committee. I hope members have those documents at their ready disposal.

Mr. Chairman: I think the committee members do, but the chairman does not have a copy.

Hon. Mr. Alexander: We have to see that the chairman is looked after. You cannot see the chairman without the appropriate documentation. You would not be moving in the right direction.

My opening remarks really touch the highlights of the report, and I hope in this connection there will be certain revelations that are not in the report.

It is my privilege to report on the activities of the Workers' Compensation Board for the year ending December 31, 1982.

In 1982 some 349,747 new claims were filed with the board, about 65,000 fewer than in 1981. Approximately 42.5 per cent were accepted as lost-time claims involving time off work and compensation payments. Another 52.6 per cent were accepted as no-lost-time claims for acci-

dents necessitating medical treatment but no time off work beyond the day of the accident. The remaining five per cent or so included claims for fatalities, rejected claims and withdrawn or pending claims.

For your information, as disclosed by the report, payments to injured workers and on their behalf total some \$726 million in the form of compensation and pension benefits, medical aid payments to doctors and other treating agencies, and vocational rehabilitation.

I find it interesting to tell you, and I am very proud to indicate, that a reorganization of the claims services division in progress in 1982 was designed to speed up the claims adjudication process, thereby enhancing the delivery of our services to injured workers. Claims are now grouped by injury so that most claims will remain with the original adjudicator throughout processing. As a result of this reorganization, injured workers are now accorded more direct telephone access to claims adjudicators.

Further in this regard, a review of our telecommunications system led to a recommendation that the board replace its existing Centrex system with a state of the art SL-1 electronic PBX system for the entire head office. One advantage of this new system is that callers will hardly ever receive a busy signal, because incoming calls will be routed by computer to the first available telephone operator. Once the operator transfers the call to the appropriate party, that line is once again open on the operator's telephone and is available for another call. Staff training on the new system continues all this month in preparation for switchover on April 2.

Speaking of service to clients, I would like to say that at our head office the board is capable of providing most services in about 45 languages, including French, Italian, Portuguese, Chinese, Hungarian, Lithuanian, Gaelic, Greek, Japanese, Hebrew, Spanish and German. I bring this to your attention because in the past questions have been asked of us about our competency in this regard.

As well, in board offices throughout the province our recruitment procedures take into account requirements for assistance in languages spoken locally. In Sudbury, for example, because of its population makeup, we have staff who are fluent in French, Finnish, Polish, Ukrainian and Dutch, in addition to some of the other languages I have already listed.

Turning to appeals, in 1982 the number of appeals heard by appeals adjudicators and appeal

boards increased. Appeals adjudicators held some 2,960 hearings, 13.5 per cent more than in 1981. Appeal boards held 989 hearings, an increase of some 2.6 per cent from the previous year. In this connection, 52.3 per cent of appeals were allowed at the first level and 36.4 per cent were allowed at the second level.

Appeal hearings are held at the board's head office in Toronto and in seven other locations throughout the province: Sault Ste. Marie, Sudbury, Thunder Bay, Timmins, Windsor, London and Ottawa.

Regarding the first level of appeal, appeals adjudicators hear appeals in the centres outside Toronto at a frequency based on the volume of cases. At the second level, the appeal board holds hearings outside Toronto by making trips twice a month, visiting each of the seven centres on a rotating basis.

In scheduling appeal board cases we provide the earliest date possible. Appeal board hearings in Toronto are scheduled in three to four weeks' time. Exceptions occur, of course, when parties request that their cases be heard in their locale and are willing to wait until our next trip to that locale.

Occasionally delays occur as a result of several factors. First, a large number of appeals are sometimes registered simultaneously and this creates a temporary backlog. Second, employers, workers or their representatives are, on occasion, unavailable for hearings due to such factors as employment shutdowns. Third, requests for postponements may be received from the parties concerned, sometimes too late to schedule another case to be heard.

To facilitate the preparation of an appeal, the board provides injured workers or their representatives with photocopies of their claim files on request when a disputable issue exists. A disputable issue is an adverse decision made by a review group within one of the operating divisions of the board which has been communicated in writing to all parties concerned.

All material in the claim file is accessible, with the exception of medical information which the board considers potentially harmful to the worker if disclosed directly. On the other hand, such information is sent to the worker's physician to All material in the claim file is accessible, with the exception of medical information which the board considers potentially harmful to the worker if disclosed directly. On the other hand, such information is sent to the worker's physician to be released to the worker at the physician's

discretion, and the worker or worker's representative is so advised.

It is interesting to note that by the end of 1982, which was the first complete year of full access to claim files, the board had found it necessary to invoke this safeguard in only 17 cases out of 7,371 requests for access to files, less than one quarter of one per cent of all requests.

Employers also have the right of access, but only to those records the board deems relevant to the issue in dispute. In 1982 the employer was granted full access to the file in 87 per cent of the cases.

What about our medical services division? The board's medical staff monitors medical care and advises on treatment of injured workers, assesses and pays medical aid accounts and related expenses, and provides medical advice for use in the claims adjudication process.

Our medical services division staff members also evaluate residual impairment in claims for pensions, identify industrial disease trends, determine cause and effect relationships and participate in the development of appropriate claims adjudication guidelines.

In conjunction with independent researchers, staff are often involved in the research projects of the division's medical branch. Among major research projects in progress during 1982, a number are worth special mention.

An analysis was completed of a large group of former patients at our hospital and rehabilitation centre who used transcutaneous electrical nerve stimulator units. This analysis demonstrated conclusively that the unit is a useful and acceptable device for treating chronic pain. I will touch on this a little later on as well.

In another vein, detailed studies were begun, and some are still continuing, into major amputations as a result of electrical burns, and on the blood supply in cases of limb replantation. One such study showed positively that patients undergoing treatment at our centre's amputee clinic are returning in large proportion to gainful employment.

Medical services division staff also supervise all facilities and programs for medical rehabilitation at the board's hospital and rehabilitation centre in Downsview.

10:40 a.m.

You will be pleased to note that many improvements to the building were carried out in 1982, including a major refurbishing of the dormitories with new carpeting and beds, maintenance work on the roof, upgrading of office and

service areas and the installation of handrails in the corridors for patients.

A special initiative at the hospital and rehabilitation centre in 1982 was the development of a program to train industry personnel in presenting the board's industrial back education program to co-workers. Throughout the year, staff from the centre and the board's communications division led 20 of these training programs and gave a special presentation to 365 people in Thunder Bay. Apart from leader training, centre staff presented the industrial back education program to 4,572 employees in 42 companies across Ontario in 1982.

A number of clinics at the centre offer special services to injured workers. These include the head injury and neurology clinic, amputee clinic, general trauma clinic, back assessment and rehabilitation clinic, hand clinic and psychological-social evaluation module.

In 1982, the majority of these clinics were used more frequently than in the preceding year. There was a slight reduction, however, in admissions to the amputee clinic and the head injury and neurology clinic, and this reduction reflects somewhat the general downward trend in occurrences of complex traumatic injuries.

The number of patients admitted to the centre each year has risen steadily over the last five years—an increase of 23.7 per cent from 1978. The year 1982 saw 11,690 admissions compared with 11,253 the year before, or almost a four per cent increase.

Of the 6,059 patients who completed the full treatment program, 4,651 were fit to return to employment, a success rate of 76.7 per cent in these complicated cases.

I made earlier reference to the TENS unit and I would like to point out now that patients at the centre continue to benefit from the use of transcutaneous electrical nerve stimulator units to control chronic pain in certain types of cases. The number of units prescribed in 1982 rose to 833, an increase of four per cent from 1981.

What about rehabilitation? This, to me, is an extremely important function of the board. Well before an injured worker's medical rehabilitation is complete, the board begins the process of helping him or her return to gainful employment and, of course, a place in the community. However, as you all know, high unemployment throughout Ontario in 1982 has affected all of you and has also complicated the board's efforts to secure employment for rehabilitated workers.

While jobs were scarce and many companies were forced to shut down operations, the board

faced increases in the number of referrals for rehabilitation. There were 5,980-odd new referrals across the province in 1982, an increase of 17 per cent over 1981.

In addition, services were reopened for 1,675 injured workers. Needless to say, case loads for rehabilitation counsellors increased, I would say significantly, during the year, and this subsequently led to the hiring of 19 additional rehabilitation counsellors on a contract basis to assist where necessary throughout the province. In 1982, rehabilitation staff were instrumental in rehabilitating 3,482 injured workers.

With a new slogan developed by the communications division, "Back a Comeback," and frequent employment blitzes across Ontario, the board continued a public awareness campaign, encouraging employers to contact the board with job opportunities for rehabilitated workers. As a matter of interest, we are planning 11 blitz trips throughout Ontario for the year 1984.

A total of 3,760 new job opportunities were secured by vocational rehabilitation division staff during 1982, which contributed to the return of 2,705 workers to successful employment.

Turning to safety education for a moment, in 1982 more than 22,000 workers across Ontario received standard first-aid training at the board's expense. In addition, a policy adopted in June 1982 made the Workers' Compensation Board responsible for the direction and control of all occupational safety education in Ontario. Essentially, this means the board will co-ordinate the work of the nine provincial safety associations.

A working agreement between the board, the safety associations and the Ontario Federation of Labour has been entered into and ratified. A very intensive debate is in progress at this time as we pursue the disclosed proposals for a new structure.

In 1982, the board granted more than \$26 million to support the work of the safety associations.

Turning to regional operations, I am pleased to say that throughout the year the board continued to consolidate its services outside Metropolitan Toronto. On June 1, 1982, all Workers' Compensation Board offices outside Toronto were placed under the direction of Mr. Tony Corbeau, executive co-ordinator, regional operations and area offices. This includes offices in Windsor, Kitchener, St. Catharines, Hamilton, Kingston, Ottawa, North Bay, Sault Ste. Marie, Thunder Bay and Timmins, and regional offices in London and Sudbury.

In 1982, some 17,145 new claims were reported to the Sudbury regional office and 18,888 were reported to the London regional office. Together, the two regional offices processed a total of some 77,668 lost-time payments during the year.

The London and Sudbury offices underwent a reorganization in 1982, with staff being realigned to distribute the work load more equitably and more advanced computer equipment being installed to expedite payment of awards. There were three exceptions to the rule of regionalization: the rulings on pensions, death benefits and industrial diseases were all made at head office. I would like to point out, however, that a feasibility study has now been completed which has resulted in the decentralized processing of vocational rehabilitation payments under section 54 of the Workers' Compensation Act. In other words, authorization of such payments can be effected from the regional offices to expedite the delivery of cheques.

The London office also began a pilot project to decentralize the handling of orthotic and prosthetic devices and clothing allowance items. The successful completion of this project led to its becoming a permanent function in London and the same will be introduced in Sudbury some time this year.

Turning to the area of human rights, the board's equal opportunity program became the human rights and equal opportunity program as a result of the proclamation of the new Ontario Human Rights Code on June 15, 1982. Throughout 1982, program staff held seminars for board employees to explain the new code. By applying this code to existing policies, changes were made to the board's application for employment form to remove questions such as those concerning marital status, for instance.

In addition, a new policy was adopted which states, in part, that, "All handicapped applicants and employees will be given equal employment opportunities and will not be disqualified, provided that the handicap does not prevent the applicant or employee from performing the basic requirements of the job."

As in previous years, the percentage of women in the management and senior administrative scale continued to increase. In 1982, women held 39 per cent of the positions in this scale.

Turning to the board's financial services program, I can report the board's net investment income rose from \$165.9 million in 1981 to \$170.1 million in 1982. The running yield on the long-term portfolio also continued to improve,

rising from 10.63 per cent in 1981 to 10.87 per cent in 1982.

At the same time, accident fund investments, valued at amortized costs adjusted for accumulated unamortized net losses, grew to \$1.63 billion from \$1.57 billion in 1981.

In 1982, the average assessment rate was increased by 10 per cent and the ceiling on assessable earnings was raised from \$18,500 to \$22,200. This led to an increase in assessment revenue from \$601 million in 1981 to \$740 million.

10:50 a.m.

The ceiling on earnings used in computing compensation was raised from \$22,200 to \$24,200 in December 1982, retroactive to July 1, 1982. However, the board postponed any increase in the ceiling on assessable earnings until January 1, 1984, recognizing that an immediate increase would have posed undue hardship to employers. The estimated payroll reported by schedule 1 employers increased to some \$40.8 billion in 1982 from \$37 billion in 1981. The number of employers covered under schedule 1 fell to 160,000 in 1982 from 161,000 in 1981.

Mr. Chairman, I trust that this overview of the board's operations in 1982 will be of some assistance to you. In paraphrasing my remarks on the 1982 annual report let me say that the achievements in this report and those I have highlighted today not only stand as a record of one year's achievement but also represent our continuing efforts to serve the injured working men and women of Ontario to the best of our ability.

Sir, we are now ready for questions. Of course, before that I know you will have the opening statements of the opposition parties involved.

Mr. Mancini: Mr. Chairman, it is indeed a pleasure to attend the review of the annual report of the Workers' Compensation Board. As I said earlier, during these reviews many contentious matters come up. Some of them are discussed fully, and very few of them are resolved; some are not discussed at all.

I would like to say that over the past years during which I have watched the process and the slow change at the Workers' Compensation Board I have come to the conclusion that the changes enacted over the years have been far too slow, far too little, have not occupied centre stage and have not occupied the main mindset of the government.

I have also concluded that there will be no significant reforms of the Workers' Compensation

tion Board until there is a change of government. I do not really believe that the—

Mr. Shymko: Keep hoping for another half century.

Mr. Piché: Is this a political speech?

Mr. Shymko: Is this a partisan speech here? Remo, I am surprised.

Mr. Piché: We are trying to deal here with a very important matter. You should get back to your notes.

Mr. Laughren: Rule him out of order, Mr. Chairman. He is being political.

Mr. Chairman: I could suggest that you reconsider that, but I will not. Carry on.

Mr. Mancini: I thought members of the Conservative Party did belong to a political party, but I guess they do not. I think they belong to—

Mr. Boudria: Not an organized party.

Mr. Shymko: I still like you, Remo. It is all right.

Mr. Chairman: Remo, you are nice guy. Now keep on the report.

Mr. Mancini: I think the Conservative Party is no longer a political party. I think they have changed and evolved into a huge public relations firm, taking polls and hiring consultants at every opportunity, offering contracts—

Mr. Shymko: On a point of order, Mr. Chairman; can we refer back to the contents of the—

Mr. Chairman: We are sorry we got you off the track there, Mr. Mancini.

Mr. Mancini: I listened very quietly and enthusiastically to the comments of the chairman, and he is a political appointee. I cannot understand why I cannot put my views without interruption.

Mr. Chairman: We have had enough kibitzing. Let us get on with—

Mr. Mancini: I am not kibitzing.

Mr. Shymko: You are accusing the chairman of the Workers' Compensation Board of being a political appointment. The appointment of the chairman was based on his merit, experience and ability. When we start talking about patronage we can point out a lot of Liberals and former leading members of the New Democratic Party who are working with this province and appointed to—

Mr. Boudria: That is hardly a point of order, Mr. Chairman.

Mr. Shymko: Stephen Lewis, for one.

Mr. Chairman: I accept your original point, Mr. Shymko.

Mr. Mancini, the floor is now yours.

Mr. Mancini: Mr. Chairman, I find some members of this committee are extremely sensitive. Maybe some of the things I am saying underscore the concern out in the community and perhaps that is why the Conservative members are very sensitive.

I find it highly ironic that we are almost into the 1984-85 fiscal year and we are discussing the 1982 annual report. It is not worthy of the Legislature or this committee to be discussing at this time a report that is more than two years old. I find it impossible to discuss the 1982 annual report without bringing into consideration things that have happened since the date of the report.

Frankly, I am not going to confine my comments to the 1982 annual report; that would be silly. I am going to talk about how the board is operating today, the concerns we have today, the problems we have today and the action we should be taking today. I am sure the chairman, who was appointed by the Conservative Party, wants to do the best job he possibly can.

Hon. Mr. Alexander: We are here to serve.

Mr. Mancini: I am sure the chairman, who was appointed by the Conservative Party, has some interest in the future of injured workers.

Mr. Piché: That should read "by the government of the day."

Mr. Shymko: He is guided only by the interest of the injured workers.

Mr. Mancini: I am sure the chairman, who was appointed by the Conservative Party, will take into consideration some of the very legitimate—

Mr. Piché: The member missed the point. He does not know we are dealing with a very serious matter here.

Mr. Mancini: —concerns that will be raised and put forward by me and some of my colleagues.

As you can see, Mr. Chairman, by the interruptions and the kibitzing, the Workers' Compensation Board is the same today as it was in 1975 when I was first elected. It is a terribly sensitive political issue. It is a political issue; that is what the Workers' Compensation Board is. It is a political issue between injured workers and employers who have to foot the bill.

I understand the pressures the government faces. I understand the pressure Mr. Alexander, his senior executives and the Deputy Minister of

Labour face. We know you receive input from all sectors of society and we know that no matter how little or how high the assessments against employers are there will always be pressure to have those assessments lowered. There will always be pressure in the area of statements which would lead one to believe that too many claims are being approved, too much money is being paid out or the board is in such a position that it may not be able to carry on because of its unfunded liability and those types of problems.

The Workers' Compensation Board is a political issue and it will be resolved politically. It is my view, even with the best intentions of the chairman, that the problems will not be resolved unless there is a political change in Ontario. Then we will get reform; then we will have reform in the Workers' Compensation Board. There will be a mandate for reform and no senior civil servant, bureaucrat or other official will then be able to prevent the reforms that are needed.

The chairman very eloquently defends the position of the board and tries to put the best face on the situation. He tells us the appeal hearings are being speeded up. He tell us of the creation of a regional director who is going to be responsible for the operations of the board outside the city of Toronto. He tells us of the new people hired for the rehab centre. He tell us of the willingness of the board to try to deal with injured workers in their mother tongue. He tells us all these things, which basically we have no complaint with.

11 a.m.

Progress is progress, improvement is improvement, and making sure that injured workers get the best deal possible is exactly what it is all about, but the bottom line is that for the past four years this Legislature and some members of the Legislature appointed to different committees have been studying a complete reform of the board. We have not been able to attain that yet. We have not been able to attain reform through the Weiler report, through the white paper and through endless hearings by different members of the Legislature.

We have not been able to attain the reform we all know is needed, and which the government knows is needed. That is why it asked Professor Weiler to do the report. That is why the white paper was done. It appointed committees because even the government knows complete reform is needed.

But they falter, they slip and they stumble when we get down to the crunch. There is delay after delay and committee hearing after committee hearing. Month after month and now year

after year have passed without the reform we had all hoped would be a reality today.

What are opposition members supposed to say or do when they come before you, Mr. Chairman, and before the other members of this committee, the Ministry of Labour staff and the chairman of the Workers' Compensation Board? Are we supposed to rehash the estimates of past hearings? Are we supposed to go back in Hansard for nine years, and again and again consistently bring forward the problems that were discussed nine years ago and lay them all out on the table again?

This has become an exercise in futility. This has become a period of time where we ask senior officials to appear before us, and we ask members to take time away from their other important responsibilities to come before this important committee and again bring up problems we all know exist, problems we talked about nine years ago, problems we probably talked about prior to my election in 1975 and prior to the election of the member for Nickel Belt (Mr. Laughren) in 1971. Basically nothing has changed.

The small improvements pointed out are fine. We accept them.

Hon. Mr. Alexander: Thank you, sir.

Mr. Mancini: We are not afraid to give credit where credit is due.

Mr. Shymko: Thank God.

Mr. Laughren: You are sitting pretty close to him to get smart.

Mr. Mancini: We stand today in a position where the Minister of Labour may bring in legislation to reform the Workers' Compensation Act this spring. That legislation may or may not be debated, depending on the schedule of time the House leaders are able to work out.

We are going to have a throne speech in a couple of weeks. That is going to be followed by a budget. We may have other contentious issues to debate. We may never get around to discussing the final report of the standing committee on resources development which was tabled in December 1983. As a matter of fact, I do not believe we will. I do not believe that between now and the next election anything is going to be done. The government is going to fool around and delay and postpone—

Mr. Boudria: Procrastinate.

Mr. Mancini: —and procrastinate. Thank you, Mr. Boudria. It will never get around to the major reforms that were talked about in the white

paper, some approved by all members and some approved by some members.

I think we are kidding ourselves. I think we are kidding the population of Ontario. I think we are kidding the injured workers of this province.

I say to the chairman, even though your statement this morning was on a positive note, how positive can you be about the of this province.

I say to the chairman, even though your statement this morning was on a positive note, how positive can you be about the major reforms that are needed? You were a member of Parliament.

Hon. Mr. Alexander: Twelve years.

Mr. Mancini: You did an honourable job.

Mr. Shymko: He was also a minister.

Hon. Mr. Alexander: It was a short time as a minister.

Mr. Mancini: You understand politics. You know the changes have to be made in the Legislature. We all know that. To try to give you a job that is all muddled up to begin with and say, "Here, Mr. Alexander, straighten it out," is unfair to you, unfair to your senior staff and unfair to the injured workers.

I want to know from the government when we are going to have a firm timetable to discuss and to implement the major reforms so that Mr. Alexander can do his job. Mr. Alexander cannot do his job without direction from the Legislature, nor can Mr. Armstrong or any of these fine gentlemen here today. None of them can, not a single one.

The responsibility and the problem lie at the doorstep of the Progressive Conservative Party. The board chairman will not be able, in many circumstances, to make the improvements for survival benefits, for pensions, for rehabilitation, for assisting employees to get back to work with their old employers, and a slew of other things. He will not be able to do any of that. We are all fooling ourselves if we think he can do so without the reforms that have been asked for. None of those things will happen, I am sorry to say.

We talk about the rehabilitation centre. I do not know about other members of the assembly, but I get a lot of work concerning the rehabilitation centre from constituents who have to attend it due to an unfortunate injury. Nothing has changed at the centre.

The same complaints I got nine years ago are the same complaints I got this week and last week. There are complaints about the programs,

complaints about how people are treated. There are complaints that really nothing is done for the injured worker. Nothing has changed, and nothing will change.

We are asked to make opening remarks. What are we supposed to talk about? What opening remarks are we supposed to make? What are we supposed to say? Are we supposed to say to the injured workers that everything is fine? Are we supposed to say they have appointed a very experienced and notable member of Parliament who served as the Minister of Labour at one time, a person close to the minorities? Are we supposed to say that that is enough? They put you in a tough position, Mr. Alexander.

Hon. Mr. Alexander: What do you mean by "close to minorities"? Would you expand on that a bit so that I might understand it?

Mr. Mancini: Yes. It is for the same reason that Mr. Rocco LoFranco was appointed to the board. We all know and realize that new immigrants to the country usually have to take the hardest working jobs. There was some feeling out in the community—Mr. Alexander, I am sure you would know this—that there was what was referred to as the Mediterranean complex at the Workers' Compensation Board. In order to be able to say, "No, we do it this way, that is not true," we have Mr. LoFranco and Mr. Alexander, and those people certainly could not have that particular view of things.

But you are in a tough position. I would not want your job. I would not want your job because you cannot do your job.

Mr. Laughren: No? I would take it. You check his salary.

Mr. Mancini: He needs every penny for the aggravation he receives because the government will not let him do his job.

We are here for the opening statements, and we are here to talk about the problems of the Workers' Compensation Board. We are here to talk about the delay of claims. We are here to talk about unjust decisions. We are here to talk about an improper rehab.

Mr. Shymko: Start talking then.

Mr. Mancini: Yes, listen carefully.

Mr. Shymko: I am still waiting.

Mr. Mancini: Listen carefully.

Mr. Piché: You have not said anything yet.

Mr. Shymko: He has not said anything. He has just said we will talk, we will talk, but he has not said anything.

Mr. Piché: He is just beating around the bush.

Mr. Chairman: Order, please. Mr. Mancini, I am interested. Perhaps some of the other members may not be interested but I am really interested. However, we are here to talk about things.

Mr. Wiseman: We are interested. We do not want to see politics played here, though. We are interested in the people.

Mr. Mancini: No, we would not want politics in the Legislature, Mr. Alexander.

11:10 a.m.

Mr. Shymko: He has nothing to say.

Mr. Chairman: Order. Perhaps I should remind you that we are also here to talk about the 1982 annual report. You have not mentioned that yet.

Mr. Shymko: Thank you. I am glad you pointed that out.

Mr. Boudria: With all due respect, Mr. Chairman, a member is allowed to comment and make his opening remarks in whichever way he wishes. I found your remarks uncalled for.

Mr. Mancini: We are very sensitive today. We are hitting a nerve. There are problems and nothing is being done. That is the problem. We are hitting a nerve. Thousands of injured workers have not been treated properly and they are not going to be treated properly as long as there is a Conservative government in Ontario, I do not care who they appoint as chairman.

What comment can we make as far as Mr. Alexander's opening statement is concerned? So many claims have been received and so many claims have been dealt with. So many claims have been received and they have been expedited in a certain time frame. So many claims have been received and so many have received pensions. So what? How does that deal with the basic problem?

For example, how does that help a constituent of mine, a policeman who was injured in a car chase? He sustained serious injury and was off work for several months and went back to work because he wanted to work. At the same time, he needed chiropractic treatment. After a while his chiropractic treatment was cut off because the board said, "After so many months of treatment, if you are back at work, we will no longer pay for your treatment."

What does that tell the policeman? It tells him to stop working again and get back on full compensatory payments and then get his treatment paid. It does not tell him, "Yes, do your job the best you can because you are saving the board

money, you are saving employers money, you are being an asset to society and we will pay for your chiropractic treatments as long as you need them."

Nothing you said today, Mr. Alexander, is going to help that man.

Opening remarks? Gosh!

I have a set of questions prepared and once we get into questions and answers, I will put those questions to Mr. Alexander and the senior officials.

Mr. Laughren: Mr. Chairman, the member for Dovercourt (Mr. Lupusella) was going to make some opening remarks. I could perhaps fill in for a couple of moments until he gets here, if you do not mind, and then give the floor to him. Would that be appropriate? He just stepped out. I do not know where he has gone.

I share a bit of the previous speaker's frustration. I feel we are in a time warp here, looking at the 1982 report while debating an entirely new system based on Weiler and the white paper. It is a funny feeling to be talking about this report, having sat on the standing committee that is looking at reshaping the entire compensation system in the province.

With those few lovely remarks, I will be happy to turn the floor over to my colleague.

Mr. Lupusella: Mr. Chairman, thank you for the opportunity to review the annual report. I was involved with another committee of the Legislature and we were drawing up recommendations for our final report. I want to apologize for my absence; even so, I had an opportunity to read the opening statement.

When we get into the field of compensation and the Workers' Compensation Board we are getting into a controversial area. From time to time we present critical views about the operation of the board and therefore we have disagreements. I have to state my disagreements based on what you told us today in your opening statement.

Before getting to the core of my presentation on behalf of the New Democratic Party, I would like to bring to your attention that in your remarks you stated that in 1982 there were 349,747 new claims filed with the board, about 65,000 fewer than in 1981. There is no particular specification as to why there was this reduction in the number of claims, but my position is the reduction was based on the simple fact of the recession, which started in 1980 and continued through 1981 and 1982.

Even though we are now talking about the recovery of the economy and so on, we were

faced with an economic crisis at that time. More people were staying at home collecting unemployment insurance. Unfortunately, we are faced with the critical situation that unemployment insurance benefits have run out for a lot of people. They are already on the payroll of welfare and family benefits. I hope this government will do something about it when the new budget is introduced in March.

I have my reservations about this reduction. I think the trend across the province is that the number of accidents is on the rise. Whatever measure or measures the government used to bring that figure down—I am making particular reference to the Occupational Health and Safety Act—I do not think they are forcefully enforced by the Minister of Labour to ensure a reduction in accidents across Ontario.

Enforcement by the Minister of Labour in relation to the bill and the safety act is not effective; the trade union movement had an opportunity to voice this complaint. If we put some teeth in this act the number of accidents in Ontario will be reduced. As a result of that, fewer families will suffer the consequences of permanent injury and so on.

I do not think we can be confident that 65,000 fewer new claims in 1981 indicates a new trend has taken place across the province. I emphasized the reason for that reduction.

I have some remarks to make in relation to the principle of reorganization of the claims services division, in progress in 1982, which was designed to speed up the claims adjudication process. I do not want to sound negative about the whole operation of the board. As I stated, we have disagreements which are not politically motivated, but we are faced with hundreds and hundreds of injured workers in our offices and we know how the board's administration operates. Therefore, it is our duty as a party and as MPPs to voice the workers' concerns, because they do not have the opportunity to point out all the loopholes that exist at the administrative level.

11:20 a.m.

I made a personal survey on the operation and of the answers that are given at the lower level of the board. I got in touch several times with the claims, rehabilitation and medical aid departments and so on.

I have to state clearly that the process is very slow, unless I get in touch with my counselling specialist, Mrs. Margaret Jones. I have to praise her. She is very effective in replying to my phone calls and sending memos to the proper departments. In relation to the activities taking place at

the lower level, I was not able to get immediate answers, or people were not around; I really did not know what was going on and there were delays in returning phone calls and so on.

This was a personal experience just to find out what kind of service injured workers receive when they try to get in touch with the people involved in their claims. You claim in your presentation that this new system has been set up to speed up the adjudication process. I had this negative reaction just in trying to find out if there was an improvement; I do not think there is any improvement in this area. This, I think, led the Workers' Compensation Board to install a new electronic system, which has been defined as "an SL-1 electronic PBX system for the entire head office."

I do not think you can dismiss my argument as not true or not fair. If you took this decision to install a new telecommunications system in the office I think you must have been able to find a deficiency in the system. I do not think the injured workers across Ontario were receiving the right service and that is why you are trying to improve the system, so I do not think I was unfair in my remarks in relation to that.

Because the "staff training of the new system continues all this month in preparation for switchover on April 2," we look forward to this change, and I will be able to comment on the efficiency of the new system.

I also notice that in Sudbury you are making new improvements and you recognize the population makeup. In relation to that I have to give a lot of credit to my colleague the member for Nickel Belt, who has been very adamant and persistent—

Mr. Mancini: Stand up, Floyd.

Mr. Lupusella: —in his criticism of the board. He was trying to deliver better service to the population of northern Ontario, and we will continue to do that in the future.

In relation to the appeal system, you state that in 1982 the number of appeals heard by appeals adjudicators and appeals boards increased, and I just wonder why there was such an increase. You also stated that 52.3 per cent of appeals were allowed at the first level and 36.4 per cent were allowed at the second level, which makes me think the system is not operational at all. I think there are problems involved in due process.

I really cannot justify the statistical data you are providing to us of 52.3 per cent of appeals allowed, which means that the injured worker has to go through this lengthy process of appeals because the lower level is not allowing the claim

or is rejecting particular issues that have been advanced by the injured worker; 52.3 per cent are allowed through the appeal system and then 36.4 per cent are supposed to appear before the board in order to get a positive response in relation to their adjudication process. This leaves almost 20 per cent of the people whose claims have been completely rejected, based on my personal experience. I am sure that my colleague, Mr. Laughren, will have an opportunity to comment on that.

Lately we have noticed a considerable delay in the adjudication system and the appeal system. Before the board heard cases in two or three months and now we have to wait more than seven months, even though you have rejected that particular criticism in the content of your opening statement. If you want, I can bring cases to support our criticism.

Let me talk about the 20 per cent who have had their claims completely rejected. I feel really upset that they had to go through a lengthy process, appearing before an adjudicator or before the board, while another 52.3 and 36.4 per cent had to go through this appeal system to get some sort of justice. I see some inconsistency involved in the process, because I think this problem can be easily eliminated by the claims review branch rather than wait seven months until a decision is rendered.

While we are on the subject of the appeal system, let me remind you about the new policy which has been implemented by the board lately. If the issue is medically related, when you appeal a decision and introduce new medical evidence the adjudicator or the appeal board sends the claim for further comment to the medical section of the board to counteract the new evidence which has been submitted.

This system is not proper, because the board has enough input from the decision-making process on the individual claim, but then when the individual injured worker is able to collect medical evidence in his or her favour, the adjudicator or the board again refers the medical file even though the adjudicator or the board is in a position to deliver a judgement or a decision based on the evidence before it at the time of the hearing.

I do not think this new policy, which has been noticeable in the last five or six months, is a just one. It is a system which has been implemented to counteract favourable medical reports which the injured worker was able to present before a hearing.

I know we are in a state of restructuring the Workers' Compensation Board. We are talking about an independent medical review branch which will be apart from the board and so on. But this is a new era about which I am quite sceptical and afraid, if you want to know my feelings about the way in which this government is initiating a process in relation to the principle of restructuring the Workers' Compensation Board in the province.

11:30 a.m.

You are talking about board hearings being scheduled for Toronto in three to four weeks' time, which is completely unfair. I do not know how you got this statement. We have opposite views and we can easily demonstrate the contrary in relation to that.

I also had an opportunity to note occasional delays that occur as the result of several factors. I sent you a copy of a letter: I am not sure if you recall the content of the letter, which was sent in January or February to the claims department in relation to an injured woman. There was no reply. I sent you a photocopy of the case and you said you would look into the situation; the problem was solved.

Hon. Mr. Alexander: I did reply.

Mr. Lupusella: Yes, you replied.

Hon. Mr. Alexander: Thank you. I was getting nervous there for a minute.

Mr. Lupusella: The problem was solved. Again, why does a member of the Legislature have to intervene on behalf of an injured worker?

We are talking about a system that has to provide service to injured workers across Ontario. Then, surely, we will talk about political interference. We will talk about your appointment because you used to be a federal Conservative member of Parliament. I do not want to get into this stuff.

Mr. Chairman: Hear, hear. I hold you in high esteem.

Mr. Lupusella: We have a system that has to work for the benefit of injured workers across Ontario. It would be less work for me if I could get more involved in the legislative process rather than making phone calls or writing letters to the Workers' Compensation Board.

Service to an injured worker should be viewed as a right of that worker. Such service must be provided by the board to the injured worker as fast as it can.

I have a case in which the hearing took place around May last year and no decision has been rendered. I do not want to get into specifics

because then your position would be, "Give me the claim number and I will take a look at the situation. I will give you an answer about it." I do not want to play that game.

My role is not to be an individual who has to do case work; it is the duty of the board to provide the right service. I am making particular reference to individual injured workers just to state our position and as a criticism of the operations of the board. I really do not understand how one year can pass and the decision has yet to be made.

In talking about disclosure, I will get into more specific arguments. I want just to give a fast reply to your opening statement. I have my own opening statement and am glad you are taking note of my arguments. Full disclosure is a new policy which, if I recall, was introduced in 1981 after the last provincial election. There is some merit to the policy of full disclosure of the file, but we see discrepancies in the full disclosure of the file given to an employer's representative.

I have a few cases in which, for example, the dispute before an appeal hearing initiated by the employer was that no accident took place. This was the position of the employer.

The solicitor representing the employer had a complete medical file to contest that a minor injury could not be prolonged for seven months. I really do not know how he got the medical information to affirm no accident had taken place on the employer's premises.

This full disclosure is working on behalf of the injured worker who has the right to have all the evidence in front of him when an appeal is launched, but I really do not understand the criteria used by the board to disclose the file to an employer. We had a lengthy argument when a standing committee of the Legislature was instructed to take a look into Professor Weiler's report and the government white paper. I really do not understand how you can maintain the privacy of medical information when most of the time the employer is in receipt of all medical information, although actually is not receiving the most relevant medical information.

The lawyers representing the employers during the appeal are sending the complete medical file to an independent specialist for his opinion, without him seeing the patient. It is completely unfair that a specialist will render a decision without seeing the patient. Actually, the adjudicator at the board receives and gives the right weight to the content of this decision from the independent specialist who has rendered a medical opinion based on a paper without having seen the injured worker.

We are getting into a controversial field which needs more clarification, more direction, in order that the board will be consistent with the principle of full disclosure actually to help expedite the process of the appeal system for the injured worker.

The other experience—I am talking on a personal basis, of course—is that most of the time I am not receiving a full disclosure of the file when such a request is made. A lot of paper is missed. I am making particular reference to the internal memos about the decision-making process at the lower level, for example, between the claims adjudicator and the claims review branch or the person looking up the issue and so on.

I used to see these internal memos, but most of the time a lot of paper is missed. I do not know, maybe the file was too thick. I can give a justification of that. I know there is a lot of paperwork in a file about an injured worker, but I think more attention must be paid to the most relevant paper which is useful to the injured worker and his representative to make sure the case will be heard properly.

I do not mind if an irrelevant paper is missed, but I think internal memos are relevant to the case per se.

I disagree with your statement, "Employers also have the right of access, but only to those records which the board deems relevant to the issue in dispute." I completely disagree with that because I saw lawyers representing employers receiving a full file and using the file for their own purpose to counteract the previous decision-making process by the board on behalf of the injured worker.

Also, I would like to know more about this new program. "An analysis was completed of a large group of former patients" at the rehabilitation centre in Downsview "who used transcutaneous electrical nerve stimulator units. This analysis demonstrated conclusively that the unit is a useful and acceptable device for treating chronic pain." I would like to know more about this problem.

11:40 a.m.

I would like to know more about the detailed studies which were begun, I do not know when, and some are still continuing, to measure "major amputations as a result of electrical burns, and the blood supply in cases of a limb replantation."

I have an interesting case. Again, I do not want to get into specifics, but we are talking about injustices of the system and I want you to be aware of how the policy-making process of the board is translated into the individual decision-

making process as it relates to an injured worker. That sounds strange to me. I do not know how it will sound to you when you are going to hear some of the evidence I want to submit to you today.

Again, in relation to these centres or amputee clinics, you stated that the majority of the patients are returning in larger proportion to gainful employment. I have to say the opposite is the case. Again, I will get into specifics to demonstrate the contrary.

I would like to know more—and I think a lot of members would be interested too—about this industrial back education program. You stated that 4,572 employees in 42 companies across Ontario participated in 1982. Maybe you can elaborate on the program; what kind of education took place, and so on.

I think we have here a general statement, even though we have heard in previous hearings before this committee that the board was doing some work in relation to that, because the majority of new claims are back related and the rehabilitation process is a very difficult one when a person is faced with a back injury. I would want to know more about that.

I would be interested to know what is going on about the psychological-social evaluation model at the board's rehabilitation hospital. Again, I am talking from personal experience. It appears that whenever there is evidence that injured workers are suffering from psychological problems they are referred to this psychological-social evaluation model.

I have had cases in which, after use of this evaluation model, the decision was to grant a psychological pension to the injured worker. I think 2 Bloor Street East, the WCB, was involved in this agreement. I do not know why.

It appears that the psychological-social evaluation model is a very intensive program to detect whether or not there is a psychological problem affecting an injured person. Then 2 Bloor Street East denies the positions taken by the rehabilitation hospital, which you claim is the best in the world, saying that the best doctors are working at the rehabilitation hospital and that the decision is actually coming from experts in the field.

So how is it possible, Mr. Chairman, that in some instances the injured workers have been referred by 2 Bloor Street East to independent psychiatrists when the psychological-social evaluation model demonstrated they were suffering from a psychological problem and the pension must be granted? I really do not understand this criterion.

I have to assume that the only reason is to get a negative medical report from a psychiatrist to counteract the position taken by the psychological-social evaluation model; to deny a pension and for the board to save the money. I do not know if you accept my way of thinking, but I do not have any other way to put this.

Again, on page 16 of your opening statement, you stated that "before an injured worker's medical rehabilitation is complete, the board begins the process of helping him or her return to gainful employment and a place in the community." This statement is questionable. I know that as chairman you cannot know the decision-making process of each individual claim. I do not expect you to know the result of each decision taken on an individual worker, but I have to disagree with your statement that the majority of rehabilitated injured workers are returned to gainful employment. Let me give you a practical scenario about the situation.

How is it possible that the rehabilitation department is denying rehabilitation to injured workers? They go to the rehabilitation department to get assistance and they are told: "In the past you did not co-operate. We sent you on a training program for seven weeks at COSTI or to other centres which are available to injured workers and their position is that you are completely unemployable. If you go out and look for a light job because you are unable to cope with the simple situation of a training program, you are wasting your time."

I am exaggerating, but this is the content of the message given to injured workers.

The other principle which is implemented by the board is that if the person is awarded a permanent disability pension in the range of 10 per cent, the degree of disability or the reduction in earning capacity of the injured worker is not great enough to grant rehabilitation assistance because actually the degree of disability of the permanent disability is not high enough.

I got a reply from the Minister of Labour that any injured worker, even with a five or six per cent disability pension, must get rehabilitation assistance from the Workers' Compensation Board. I was questioning the criteria used by the board. I know there is a section of the Workers' Compensation Act which says that when the earning capacity—I do not know how to express it; maybe someone from the board can help me—is not higher than the degree—

Mr. Warrington: Significantly greater.

Mr. Lupusella: —significantly greater than the degree of disability—

Mr. Warrington: In relation to the degree of the injury.

Mr. Lupusella: —and if the person is not co-operating with the board, then he will not be entitled to rehabilitation assistance.

Last month I had an appeal based on the principle that the board has no right to deny rehabilitation assistance to an injured worker whose claim was completely closed in relation to the issue of rehabilitation. I think this section of the act is wrongly used by the rehabilitation department or the pension department to deny pension supplements to injured workers because the degree of disability is based on the range of 10 per cent.

I had another case in which the person was receiving 10 per cent disability pension from the board. The psychological-social evaluation module of the board states the person was supposed to get a disability pension for psychological problems. The office at 2 Bloor Street East denied the position taken by the rehabilitation hospital.

The injured worker has the right to appeal to get justice from the compensation board, but take a look at the procedure. First of all, we have to demonstrate that the degree of disability is higher than 10 per cent. I think the case I am talking about is entitled to a pension based on psychological problems because the rehabilitation hospital of the board stated that.

Pension supplement was denied because the degree of disability or the reduction in earning capacity was not great enough. We had to make two appearances before we could tell the board: "Listen, the degree of disability is higher than 10 per cent. On top of that, there is a psychological component involved. You have to reopen this claim in relation to rehabilitation and you have to give a pension supplement."

11:50 a.m.

We are talking about more than a year to reach the final stage and a conclusion so this injured worker will get justice from the Workers' Compensation Board. He might even lose the appeal—a waste of time.

From what I read I think this man was an electrician making \$35,000. He cannot work as an electrician any more and the board says: "There is nothing we can offer you. You have the skill and the trade. What else do you want from us? Go and look for a job and stand on your own feet because the degree of your disability is in the range of 10 per cent."

There is a serious problem at the rehabilitation level. I have beefs against a rehabilitation

counsellor telling injured workers, "If you are not pleased with my decision, I do not have to assist you any more." I think the counsellor's judgement that the injured worker did not want to co-operate was wrong. "Go and appeal. Wait seven months. Receive a \$145 pension for life."

Based on the comments of a rehabilitation counsellor that an injured worker was not co-operating with the rehabilitation process, a supplementary pension is denied. Take into consideration the discretionary power the board has; it "may" grant a supplementary pension.

I disagree with the way the act is written. We are talking about an adversarial system. It comes out when it is clearly stated by a rehabilitation counsellor that an injured worker is not co-operating. We have to deal with the adversarial system which stems from the discretionary power the board has in granting a supplementary pension.

If all these things are denied, one can go to the appeal system, wait seven months or even a year and live on a \$147 pension for the rest of one's life as an injured worker wandering around the streets, looking for a light job without assistance from the rehabilitation department and ending up on the welfare payroll; or a counsellor suggests to the injured worker it is time for him or her to apply for the Canada pension plan because training centres such as COSTI-IIAS Immigrant Services have told the board he or she is completely unemployable and there is no way to find gainful employment from the system.

The taxpayers of this province are subsidizing the board. They are subsidizing what the employers are supposed to pay to make sure—it is really what you said in your opening statement—that the injured workers, after being rehabilitated, go back to gainful employment in the community.

You might show me statistics of 2,705 workers who went back. You are talking about almost 400,000 people getting injured in 1982. A lot of people are so sceptical about our system they say: "I am not receiving any assistance from the board in relation to the rehabilitation process. I am going to apply for the Canada pension plan. I might get family benefits and I might get welfare, but there is no way I am going to fight and counteract the bureaucracy expressed by the board."

I do not think this criticism is relatively new. It might be new to you, but speaking for the member for Nickel Belt and myself, I think we have been pressing the same principles every year, even though I did not have the opportunity

in 1981. I met you when you were appointed, but I was not in a condition to participate in the debate about WCB activities. Even though there is a delay, I want to congratulate you on your appointment.

Hon. Mr. Alexander: Glad to see you back.

Mr. Lupusella: Then you talk about the pilot project for the decentralized handling of orthotic and prosthetic devices and clothing allowance items. Again, I have to praise my friend the member for Nickel Belt for the decentralization process, which is expanding almost every year across Ontario with respect to certain activities of the board.

I remember when the NDP formed a task force in 1977 and we toured Ontario. The main recommendation as a result of the presentations made before the NDP task force was that there was a need for the decentralized operation of the board. I think that, little by little, this is what you are doing. This is very encouraging, and I hope some day even payments will be distributed in the regional areas, instead of expecting 2 Bloor Street East to be the centre of the whole operation that an injured worker has to encounter until his or her case is finalized.

You stated that the investment income the board has from short- and long-term securities rose from \$165.9 million in 1981 to \$170.1 million in 1982. I do not have to praise the financing and investment process of the board, I think credit should be given to the high interest rate policy that came about in 1980-81 for the increase in the board's net investment income. Maybe you deserve some credit for that, at least we are not losing money; but I think the interest rates played a big role in that issue.

As a result of this long-term net investment income I would also be interested, if you have approached the Minister of Labour in relation to the issue that the level of benefits should be increased, to know what kind of response you got and whether there is some communication going on between you and the Minister of Labour or his officials. Maybe Mr. Armstrong can give us an answer to that. If there was communication between you and the minister, I think this committee would be interested in finding out what is going on in relation to future increases in the level of benefits for injured workers.

These remarks were based on the opening statement of the chairman of the board, Mr. Lincoln Alexander. I want to get into my leadoff statement now. Do we have until 12:30 p.m.?

Mr. Chairman: Twelve-thirty? Yes.

12 noon

Mr. Lupusella: Mr. Chairman, I think it is important to reflect, as we begin our hearings today, that we have now passed the fourth birthday of the process to review the legislation governing workers' compensation and the Workers' Compensation Board in Ontario. In this four-year period we have had two reports from Professor Weiler, now known as Weiler 1 and Weiler 2; a white paper; two draft acts; an approximately two-foot pile of reports, statements, submissions, opinions, estimates and evaluations; many days of hearings before this committee, both here and around the province; and a huge report from the standing committee itself released last December.

I hope the chairman of the board had an opportunity to witness the more than 2,000 injured workers who made their presentation before the standing committee on resources development as we were studying the Weiler report and the white paper in relation to the problems that were brought to our attention. Two thousand people appeared before the committee complaining about injustices and the way in which their claims were handled by the board, giving us insight into the extent to which the board is really not working properly. I do not blame you. You inherited the chairmanship.

Hon. Mr. Alexander: I take the blame if there is any blame to be taken.

Mr. Lupusella: To be fair, you inherited a long-standing problem in the Workers' Compensation Board. I do not think it is a new phenomenon; it goes back many years, I think to 1914. Even though changes have been made, all credit for them should go to

Mr. Lupusella: To be fair, you inherited a long-standing problem in the Workers' Compensation Board. I do not think it is a new phenomenon; it goes back many years, I think to 1914. Even though changes have been made, all credit for them should go to the pressure applied by injured workers across Ontario because they were the ones suffering the consequences of a system that never worked.

By the way, representatives of the Innovation Development for Employment Advancement Corp. appeared before us in the procedural affairs committee. I gave them a personal idea to be concretized: we need money, but more than money we need goodwill in Ontario. I found the formula is to dismantle the Workers' Compensation Board in Ontario.

Mr. Laughren: Tell me about it.

Mr. Lupusella: The representatives of the IDEA Corp. were so impressed. They said, "We are all behind you."

Mr. Chairman: This is an aside; it is not from your prepared remarks?

Mr. Lupusella: Yes.

Mr. Chairman: I thought so.

Mr. Lupusella: It is true, Mr. Chairman.

Those people were asking us: "How are you going to do it? Do you need investment or do you need the money? That is why we are here."

We said: "We have to make sure that in 1985-86 the number of accidents in Ontario is completely nil. That is the only way to dismantle the compensation board, because then there would be no need to have it around."

By the way, they were impressed but they said, "We do not have anything to do with this type of idea."

Of course we have another idea. In order to dismantle the board, we need a universal insurance scheme.

Mr. Laughren: That is what he is getting at.

Mr. Lupusella: It would compensate injured workers properly 24 hours a day and would take into consideration the degree of pain and suffering.

Mr. Laughren: It is a good idea.

Mr. Lupusella: Then we will have the opportunity to dismantle the present bureaucratic process that is so rooted at 2 Bloor Street East. It used to be near the lake, although I really do not know why. That was just an editorial comment, Mr. Chairman.

Mr. Chairman: I thought it might have been.

Mr. Lupusella: What we do not have is what the board should be providing, which is justice for injured workers. Of the roughly 80,000 WCB pensioners—and this number is low because it excludes survivors, spouses and other dependants of workers killed on the job—we are told by the board actuaries that an estimated 20,000 people are unemployed. Half of these people receive CPP disability benefits; a further 30,000 are 65 years of age or older and are counted as retired. They do not appear in these statistics. This means that fully one quarter of employable injured workers receiving WCB pension benefits are not working.

We know, as does the board, that many of those pensioners are receiving pitifully small amounts of money. In many cases they have been assessed at very low rates of partial disability when in fact their injuries prevent them from

working. We know, as does the board and the 80,000 pensioners and their families, that the WCB benefits are constantly being eroded by inflation, and when the increases come they are usually months later than would be appropriate and, furthermore, are unpredictable.

I do not know how many of the board's personnel, especially the policy-making people of the board, have ever lived in the kind of precarious financial position that characterizes the bulk of our injured workers, especially those past the retirement age. I know the number must be very small, judging from the insensitivity demonstrated by the board about the question of benefit increases. I remember my colleague, the member for Nickel Belt, once stated in the Legislature that Scrooge was more generous. Is that true?

Mr. Laughren: I do not remember saying that, but I will take credit for it. I could have said it; I agree.

Mr. Lupusella: For years now we have been arguing that injured workers need more money so they can live decently. For years we have been arguing that WCB pension benefits, like all pension benefits, must be indexed to the full value of the changes in prices so the workers' incomes will be protected against the ravages of inflation.

For years we have been urging the minister involved to grant regular and adequate increases in benefits and to do so in a way that will enable injured workers to plan, so they feel their needs are recognized and they are looked upon with sympathy and respect. The results have not been encouraging; neither have we been encouraged by the ongoing process of reform in the Workers' Compensation Act.

As noted by this committee in its report last December, there were reports, submissions, presentations and related discussion relating to 53 agencies and their associations. In addition, more than two dozen days were devoted to public hearings and other meetings in camera to produce the report. Through all of this, we have been telling our friends in the injured workers' organizations and the hundreds of injured workers we see every month in our constituency offices and at meetings that the process was moving along but it was too early to know what would become of it.

We have been telling them to continue to press their concerns but they should be patient a little longer. We do not tell them that any more. Why? Because the majority of the committee, the Conservative and the Liberal members of the

committee, not only have accepted the main lines of Professor Weiler's recommendations but in many crucial instances have recommended measures less generous, more antiworker, more penalizing towards injured workers than those Weiler proposals.

I want to spend a few minutes outlining these concerns, because they relate directly to the specific problems I will be raising in a few moments in connection with the 1982 annual report of the board.

As we said in our dissent to the committee's report, we believe injured workers and the families of those who have died on the job deserve a better deal than the majority report, Professor Weiler or the white paper are willing to propose.

First, Professor Weiler's report and the overall review process were unduly restricted. While we worked on a review and reform of the workers' compensation system, we never believed that legislative and administrative tinkering could resolve its fundamental problems. We remain convinced these can be resolved only by a universal and comprehensive sickness, accident and disability insurance program. The NDP is firmly committed to a program which would provide compensation for both earners and nonearners, irrespective of fault and irrespective of the causes of the injury, illness or disability.

12:10 p.m.

It defies logic to provide compensation for an injured worker if he or she is disabled at work but to leave the workers and their families entirely on their own if they are injured at home, on the street or in an automobile. The physical incapacity is the same. The loss of earning ability is the same. The anguish of the family is the same. The need for rehabilitation is the same. Everything is the same except for compensation. Only for those privileged few who happen to be covered by private disability insurance will there be any compensation.

We begin from the premise that workers and their families should not be penalized when injuries or illness occur. Society must accept the responsibility for the welfare of those who, because of injury, illness or other disability, are not able to support themselves. This is a basic right, not charitable assistance. It is insurance against incapacity, not something to be cut back at government whim.

In short, the present system of workers' compensation is totally inadequate. Its adversarial nature, coupled with its exclusive focus on work-related disabilities, makes the system

incapable of respecting even basic notions of social justice. While we have made and continue to make suggestions for change and the reform of workers' compensation, we believe that only a universal and comprehensive sickness, accident and disability insurance program can provide the necessary protection which workers and their families deserve.

By the way, this is not a political slogan. This is our policy and we firmly believe in our position. I remember a few years ago I told your good friend, Floyd, that some time in the near future, the only way to cope with the criticism which has been consistently made before the board every year is to make photocopies of previous criticism and give it to the chairman to read. We have been making the same criticism every year and see no changes or improvements.

Mr. Laughren: You do not have the courage to change it, that is your problem.

Mr. Lupusella: I found it difficult to rephrase my criticism, which is the same every year. So that is what I am going to do in 1984, I am going to make photocopies of the criticisms we have been making since 1975 and introduce that to you on this committee. I am getting sick and tired of this process.

Mr. Laughren: We get the same answers, too. They could Xerox the answers and hand them out to us, then you would have to sit only half a day. My friend, Tony, is usually absolutely right.

Mr. Lupusella: I do not have to tell you that Floyd agreed to that proposal.

Mr. Chairman: I was going to ask you what the reply was because you said you had said that before.

Mr. Lupusella: Unanimous agreement on the proposal.

Mr. Chairman: Within caucus.

Mr. Lupusella: I am making the recommendation in public now. I am sure that in the near future that is what I am going to do.

The details of our proposals go well beyond the scope of this discussion. I refer those who are interested to the committee's report.

If there is one constant element in the history of the responses of business and government to the long-standing calls for reform of the workers' compensation system it is the assertion that change is expensive, that the universally acknowledged need for reform must be balanced against the set cost of fair compensation. Accident prevention, compensation of injured workers and medical and vocational rehabilita-

tion are expensive, but they are the cost of doing business.

The more attention employers give to accidents and to assisting prevention, the lower the cost of compensation will be. That is the theme of our philosophy. The ultimate cost of workers' compensation is largely in the hands of Ontario's employers. If they feel the costs are too high, they should invest more heavily in prevention.

The board is already investing \$28 million on prevention. I am not suggesting this amount should be cut, but just as a pilot project I would like to stop this program for a year to find out the trend of injuries in Ontario, if it will be the same or if it will decrease or increase if this \$28 million is not spent on accident prevention. Prevention must be started by the employer. If he is extremely concerned about the cost, it is his responsibility to clean the work place in order that accidents will not take place. I think that is fair game in doing business.

Employers have been complaining about the skyrocketing assessment of cost. We should not be swayed by these complaints nor should we regard as credible the alarmist predictions about future rates. Information presented to committee members by the actuarial services branch of the board indicates just how good a deal workers' compensation has been for Ontario employers. Again, our motto for this system is, it is a good cheap insurance scheme for employers and that is why the board was first established.

This year's payroll weighted average assessment is within 10 cents of the average rate since 1975. Of what other cost of doing business can the same be said? Where else could the employers have bought such cheap insurance?

Mr. Laughren: Not from the insurance industry.

Mr. Lupusella: As for the future assessments, even the most expensive rate estimates provided by the board actuaries are less than twice the actual 1983 rate. Before anyone starts fulminating about doubling of costs, he should not only look at the record of the last three years but also note that the board forecasts traditionally err on the generous side. The board's forecast assessment rates have been higher than actual rates for every year since 1977. The 1975 and 1976 figures are unavailable from the board.

Hon. Mr. Alexander: Which figures are those, Mr. Lupusella?

Mr. Lupusella: Assessment rates for employers across Ontario, as set up by the board.

Mr. Laughren: They were exaggerated.

Hon. Mr. Alexander: I thought he said something about them not being available.

Mr. Lupusella: The 1975 and 1976 figures are unavailable from the board. We asked this question of the actuaries who appeared before the committee and they said they did not have them. That is why we made this statement.

Hon. Mr. Alexander: I do not know why you were told or led to believe that they are not available. I believe they are available.

Mr. Lupusella: If they are available, maybe you will be so kind as to give them to us.

Hon. Mr. Alexander: If you write me a letter and tell me just what you are looking for, I would be pleased to look into it; but I say from the top that they are available.

Mr. Lupusella: We are talking about the board's forecast assessment rates for 1975 and 1976.

Hon. Mr. Alexander: The assessment rates?

Mr. Lupusella: Yes.

Hon. Mr. Alexander: Those are available. As a matter of fact, and I do not want to take up your time—

Mr. Lupusella: They told us they were not available.

Hon. Mr. Alexander: I think what you are talking about is the forecast rate that was not available, but the actual rate was available.

Mr. Lupusella: We are talking about forecast assessments.

Hon. Mr. Alexander: We will look into why they were unavailable, but I know that the actual rate has been available, and I think that is important as well.

Mr. Lupusella: Not the forecast.

Hon. Mr. Alexander: I do not know. It says "unavailable" here.

Mr. Lupusella: Maybe that is why they told us they were not available.

Hon. Mr. Alexander: He is talking about the 1975 and 1976 payroll weighted average assessment rates, which he says are unavailable for both years. I do not know the reason, but we would certainly be pleased to look into it for you.

Mr. Lupusella: The actuaries appeared before the committee and we are basing our criticism on their remarks.

Mr. Laughren: We know they were not kidding us because actuaries do not kid. Do you know an actuary is an accountant without a sense of humour?

12:20 p.m.

Hon. Mr. Alexander: Not wanting to detract from your presentation, Mr. Lupusella, but how significant are those figures to you? You were able to get the figures, forecast and actual, from 1977 right on through. At the same time you had the actual. Is there a problem with respect to not having the forecast rate?

Mr. Lupusella: No, it is not a problem. I think you have to view our criticism in relation to the actual assessment rates the board has been giving to employers across Ontario which, in relation to other business involvements, were completely low. That is why we were trying to pinpoint with the actuaries who appeared before the committee why there was this forecast of low assessment given to employers when the government has even been reluctant to increase the level of injured workers' benefits.

If there is a problem as to how to find the money and cope with the requests that have been made through the years by injured workers, it is the duty of the board to get more money from the employers. But it appears employers across Ontario got the best deal in relation to the assessment rate for those years.

Hon. Mr. Alexander: I do not want to speak for the employers. I think they would disagree with you, but that is a question of debate. What I must tell you is that I think as a result of the economic downturn in 1982 and 1983—

Mr. Lupusella: There was inflation.

Hon. Mr. Alexander: —we are finding now that the employers have taken a greater interest in the functioning of the board due to the increase in claims as well as the costs.

I am interested to hear my friend Mr. Mancini indicate he would not want my job. I do not mind the job at all because there are certain challenges within that responsibility I find quite exciting. I want to tell you this: it is a tough job because no matter who sits in this chair—I say this with all due respect and I do not want to get involved with a change of government—whoever sits here will have the same problem because he is facing two sides.

Mr. Lupusella: That is why I said you inherited the problem, you did not create the problem.

Mr. Laughren: You are reinforcing our argument for a universal system.

Hon. Mr. Alexander: I know the government is looking at that. There are the criticisms by the employers. There are the criticisms by labour and the injured workers. It is our job within the

mandate of the act to try our best to resolve the imbalances, if you will, in favour of the injured worker.

Mr. Laughren: Oh, oh.

Hon. Mr. Alexander: I do not have any hesitation in stating that.

Mr. Laughren: You mean the benefit of the doubt, in other words; speedily and humanely rendered?

Hon. Mr. Alexander: If you want to say "the benefit of the doubt," we know our responsibility. But as you have indicated, those are the two thrusts. You might as well be aware, which you are, that we are criticized by the employers, and we are criticized by labour and the injured workers. Our job is to try to make peace and evolve a system that can be acceptable to both sides. I do not want to leave out the elected representatives who have a very significant role to play.

Mr. Laughren: Have you ever seen the employers demonstrating outside?

Hon. Mr. Alexander: They demonstrate but not in the same way.

Mr. Lupusella: On December 20, 1979, I participated in a debate in the Legislature on Bill 209, the Workmen's Compensation Amendment Act, about increases in the employers' assessment rate.

I said: "I will be pleased when this government, the Minister of Labour, in co-operation with the Workmen's Compensation Board, enacts clear legislation which is going to phase out the present bureaucratic structure...."

"Again, to go back to the principle of concern, of course the Workmen's Compensation Board has been concerned in the past, and even recently, with decreasing their assessment of employers' premiums across the province. I do not think the Workmen's Compensation Board or this government showed clear leadership or a clear indication that the problems are going to be solved.

"I would like to give you a synopsis of what has happened in this particular issue, Mr. Speaker. I am talking about the concern which the Workmen's Compensation Board expressed to employers of Ontario about making contributions to the Workmen's Compensation Board. The increase in assessment rate per \$100 of payroll in 1977 was nil—"there was no increase at all in 1977—"and in 1978 it was increased by 3.7 per cent. But in 1979 there was a reduction of 9.6 per cent. For 1980 there would be an extra reduction of 8.4 per cent."

Is it not a cheap insurance scheme for employers? Are injured workers treated the same way in increasing their level of benefits? Let us be frank and clear. Increases in the level of benefits for injured workers really started in 1975, when injured workers were demonstrating in front of Queen's Park, in front of the board, in front of the Ministry of Labour building.

Let us talk about injustices that took place between 1914 and 1971 and count the increases which have been granted on a regular basis by this government. They were reluctant to increase the level of benefits, but employers got the best deal possible, even reduction on their assessment.

I do not know if you can find another definition of what the board is besides being a cheap insurance scheme for the employers in the province. You have to accept that reality. I am not a person who plays on statistics or numbers; I do not play that game.

Mr. Laughren: Now they are whining about the unfunded liability reducing rates.

Mr. Lupusella: Right. May I continue?

Hon. Mr. Alexander: Going back just a moment to your comment about the availability of certain rate forecasts, it is my understanding the mechanism we use now was not in place in order to bring out those figures. I think we have that competency now, so I am sure we can give you those figures for 1975 and 1976.

Mr. Lupusella: Okay, thank you very much.

Again we have made a very detailed analysis of the assessment question in our dissent and I refer those interested to it.

There are a number of other aspects of the majority report I want to touch on. The first and the most important is the suggested treatment of existing pensioners. There are a number of ways in which the government's proposal will hurt these thousands of men and women.

For example, existing pensioners who opt in to the new system will receive lower benefits than they would if they were hurt after the new law is

established. Second, pensioners who opt in will lose their guarantee of a monthly pension. Third, there will be no lump sum payment for a pensioner who opts in. Fourth, surviving spouses and dependants will not be allowed to opt in. Fifth, all wage-loss benefits will cease at retirement age. Sixth, pensioners who opt in will have any Canada pension plan disability benefits deducted from their Workers' Compensation Board benefits. Seventh, there will be no automatic indexing of benefits to inflation.

We are talking about a restructuring of the Workers' Compensation Board in Ontario. I think that instead of improving it we are making the system worse. Again I am concerned for the injured workers who will suffer the consequences of the political decision-making process which eventually will take place in the Legislature in the near future.

The New Democratic Party proposes that all claimants—those now receiving disability benefits, surviving spouses and dependants, and the workers newly injured at work—be brought into the new system and share all the benefits of a more just system.

We want all injured workers to receive a lifetime, fully indexed pension to compensate for the damaged life that results from disabling injury. We want all injured workers to receive a second, lifetime, fully indexed wage-loss pension to compensate for income loss resulting from disabling injury. We want temporary benefits that replace 100 per cent of the pre-injury income.

Mr. Chairman: Excuse me, Mr. Lupusella. It is just about 12:30. Have you got much more?

Mr. Lupusella: Yes, I have maybe 20 minutes more.

Mr. Chairman: We may as well break now. Fill in a check mark where you left off and start off again.

Mr. Lupusella: No problem.

The committee recessed at 12:31 p.m.

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Ontario

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Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Tuesday, March 6, 1984

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, March 6, 1984

The committee resumed at 2:10 p.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982 (continued)

Mr. Chairman: I recognize a quorum. We will ask Mr. Lupusella if he would like to carry on with his remarks.

Mr. Lupusella: By all means, Mr. Chairman. Thank you, again, for the opportunity.

I believe I was talking about disability benefits which must continue past retirement age in recognition of the fact that an injured worker's disability is 24 hours a day for life. The New Democratic Party also wants equal treatment of surviving spouses regardless of age. We also want full, automatic indexing of benefits to inflation according to changes in the consumer price index.

We know for a fact the Conservatives reject automatic indexing and they want it to be an annual decision by the cabinet. The Liberals support indexing, but they want to tie it to changes in the average industrial wage. What happens if prices go up faster than wages? According to the Liberals, injured workers "can share in the good times but will be forced to tighten their belts in bad times."

The NDP wants representation of the injured worker on independent medical review panels. The NDP says independent medical review panels should not be set up by lottery and injured workers should select one of the three specialists who will judge their appeals. In addition, the panel should be required to consult the injured worker's family doctor.

We also want injured workers to have the right to reinstatement. Once again, the Conservatives say no and the Liberals say nothing, which is not surprising.

Mr. McLean: They are not even here to listen. They will read it on the record.

Mr. Lupusella: The NDP says workers should have the right to return to their old jobs if they are able, and if no longer capable of doing that job they should have the right to another suitable job in the same enterprise.

We also reject the Conservative position that injured workers should have only a limited right

to suitable re-employment, and we argue the definition of "limited right" within the definition of the present law. Either you have the right or you do not have the right. I have never understood that position of a limited right to suitable employment. We say their rights should not be limited.

In addition to these elements of the ongoing review of the legislation, we have a number of concerns about the policies and administration of the board. The first of these is rehabilitation of injured workers.

According to the annual report, 3,482 injured workers were rehabilitated in 1982. Of these, 2,705 returned to work and an additional 777 who did not return to work were assisted in achieving financial self-sufficiency.

We have a number of questions.

How many of the 2,705 injured workers who returned to work were rehired by their previous employers? How many returned to work at or near their pre-injury wage rate? How many returned to work in the same occupational category; in other words, how many found work that was unrelated or paid considerably less than pre-injury employment? How many skilled tradesmen, for example, ended up working as watchmen?

On average, how long a period of rehabilitation was involved? How many were provided with vocational rehabilitation programs?

Regarding the 777 others who did not return to work, what does the phrase "were assisted in achieving financial self-sufficiency" mean? We know for a fact that a lot of people could not get rehabilitation because either they were caught under the phraseology that they were not co-operating with the board or their earning capacity was low in comparison to the degree of their disability and then their rehabilitation file was closed. Does the phrase mean qualifying for Canada pension plan disability benefits or welfare. How many of these 777 men and women qualified for these non-WCB benefits?

I would like to have some explanation in relation to this particular issue under the financial self-sufficiency position which has been expressed by the board in the annual report for 1982.

We are particularly concerned about the follow-up procedure used by the board's rehabilitation department around the rehabilitation efforts. At what intervals following the return to work is contact made? For how long is the worker's re-employment monitored? How many or what percentage of workers who were rehabilitated and returned to work in previous years were still working one, two or three years later? Are such figures available? Is such follow-up done?

Regarding the total of 3,482 injured workers who were rehabilitated, what proportion were they of the number of injured workers involved in the board's rehabilitation programs?

These questions and concerns are not a fishing expedition, Mr. Chairman. They arise out of real doubts that I and my colleagues in the NDP—specifically my friend Floyd—have about the board's nonmedical rehabilitation efforts. Our direct experience with the board's rehabilitation efforts stems from discussions we have had with injured workers in our constituency offices and at the many public meetings that have recently been organized around Ontario by the various advocacy groups representing them.

In addition, this experience is quoted by two recent documents which establish the disturbing contours of a very broad problem. These two documents are the report of the select committee on company law and the submission to this committee last year from Local 1750 of the Canadian Union of Public Employees, the union representing workers within the WCB's vocational rehabilitation division.

In volume 5 of its report, the select committee on company law had the following to say:

"It is generally conceded that the workers' compensation rehabilitation program is the most advanced in the province. Some even suggest that it be used as a model for the rehabilitation of those disabled other than at work. The committee is prepared to admit that the rehabilitation program of the Workmen's Compensation Board is the best available in Ontario. The board has excellent facilities and in general it does a very good job of the medical aspects of rehabilitation. However, that is as far as it goes. In the committee's view, it does an inadequate job of educational and vocational rehabilitation; does a poor job of many aspects of the re-employment of the disabled; and has a dismal record when it comes to matters relating to the psychological rehabilitation of the disabled." I want to emphasize that.

"In the committee's view, the rehabilitation program of the Workmen's Compensation Board as it relates to the rehabilitation of injured workers cannot be accepted as a model for the rehabilitation of all disabled in the province."

The same report talks about how to improve the Workers' Compensation Board's rehabilitation program.

2:20 p.m.

"It has been noted the committee believes that in general the Workmen's Compensation Board has developed a satisfactory rehabilitation program as it relates to the medical care of the disabled worker. However, it is important that the board not stop there. It must follow through from the physical rehabilitation of the injured worker to other aspects of rehabilitation to ensure that rehabilitation is complete and the disabled are able to take their place in society with self-respect."

The committee recommendation states:

"The committee reiterates its concern regarding the inadequate vocational rehabilitation and psychiatric assistance provided to the disabled by the Workmen's Compensation Board and recommends to the board that more attention be devoted to these important areas of rehabilitating disabled workers." They made those particular references to some of the remarks that the chairman of the board made before the committee.

Mr. Laughren: I wonder if he remembers that.

Mr. Lupusella: Let us see if he remembers what he said.

Hon. Mr. Alexander: I remember everything I have ever said in this place or in any other place.

Mr. Laughren: You must have a great memory.

Hon. Mr. Alexander: We took action on that report; but go ahead anyway, Mr. Lupusella.

Mr. Lupusella: "The new chairman of the Workmen's Compensation Board, the Honourable Lincoln Alexander, PC, QC, indicated to the committee members that he shared their concerns and that he proposed to direct more of the board's attention to matters relating to vocational and psychological rehabilitation and in general to rehabilitate disabled workers back to the point where they were before they sustained their injuries."

"The committee is encouraged by the statements made by the chairman of the Workmen's Compensation Board and urges him to follow through and in general expand the mandate of the

board beyond its prime concern with physical rehabilitation into a more comprehensive and thorough rehabilitation program. The Workmen's Compensation Board has never been subject to a close scrutiny in the detail that the committee visualizes is necessary to reassess its mandate."

Maybe that is what we should do.

Hon. Mr. Alexander: Which year was that, Mr. Lupusella?

Mr. Lupusella: I think it was 1980.

Hon. Mr. Alexander: About four years ago. Much has changed since that time, sir; but carry on.

Mr. Lupusella: I do not have the year here, but I think it is more or less around 1980 or 1981.

Hon. Mr. Alexander: That is right.

Mr. Laughren: When were you appointed chairman?

Hon. Mr. Alexander: June 1, 1980.

Mr. Lupusella: "The committee recommends that the chairman of the Workmen's Compensation Board carry out a searching scrutiny as he considers the board's future and reassess its mandate along the lines he discussed before the committee, and that the review keep in mind the importance of considering all aspects of rehabilitation of the disabled and the expense involved, so that the information will be of value not only to the board in dealing with injured workers but to others concerned with the rehabilitation of those disabled by other than by work-related injury or disease."

What kind of commitment did you make, Mr. Chairman?

Hon. Mr. Alexander: One that I could commit myself to pursuing.

Mr. Lupusella: Then we have to make sure this commitment will be accomplished.

Hon. Mr. Alexander: If you are expecting perfection, Mr. Lupusella, I will admit I am trying my best to arrive at that state. Some of us are now enjoying that state of perfection; but, unlike those, I believe we do have some faults. In the long run, though, we are committed to reaching that state of ultimate perfection. You are not perfect, and I am not perfect; I know you want us to be perfect, and we will try our—

Mr. Lupusella: No, I do not claim to be perfect myself.

Hon. Mr. Alexander: That is what I said. We are going to try our best.

Mr. Lupusella: I try to deal with the errors I make. Sometimes goodwill is important.

Hon. Mr. Alexander: That is right. I appreciate your frankness in that regard, but always keep in mind that we are trying to reach the state of perfection that you and your colleagues want us to reach.

Mr. Lupusella: The concerns raised by the select committee are exactly the sorts of concerns that ought to have been raised and investigated during the four years in which we have been dealing with the reform of the workers' compensation system. Instead, we have the pathetic patchwork quilt of quick-fix proposals advocated by Professor Paul Weiler.

In its submission dated June 3, 1983, the union representing the board's own vocational rehabilitation workers had the following to say:

"In 1982 and 1983 rehabilitation counsellors have faced ever-increasing work loads because of the larger number of injured workers requiring first-time rehabilitation assistance and also injured workers who have been laid off requiring further rehabilitation and employment assistance.

"Rehabilitation counsellors have attempted on an individual basis and in staff meetings to convince management and supervision of the problems being created for injured workers by the freeze on hiring of additional rehabilitation counsellors by the Workers' Compensation Board.

"The suggestions and front-line concerns presented to management have been consistently met with one of two responses: 'There's no money in the budget,' or total silence and inaction. The latter response has been the most prevalent... "In the CUPE 1750 Rehab Questionnaire of October 1982, 56 per cent of the counsellors stated that their supervisor knew less about their job than they did. In a separate but related question, 69 per cent replied that when they spoke with their supervisor they felt cautious and reserved, afraid that free discussion would be held against them or that no action would take place...

"The questionnaire of October 1982 revealed that the average rehabilitation counsellor case load was 80 active cases. This figure has increased to 90 by April 1983. Rehabilitation specialists, who assist the more seriously injured workers over wider geographical areas in the province, had average case loads of 35...Some counsellors must manage work loads of up to 120 to 130 active cases...

"The questionnaire revealed that 97 per cent of rehabilitation counsellors had to work in excess of 40 hours per week (regular work week is 36 1/4 hours) in order to complete all aspects of the

job. Of this group, 47 per cent found they had to work in excess of 50 hours per week...

"When counsellors have inquired about the possibility of reducing case loads by hiring additional counselling staff, management have repeatedly pointed out that the Workers' Compensation Board has imposed a hiring freeze because of budget restraints. Injured workers are clearly having to settle for a diluted rehabilitation service at a time when their problems have grown more numerous and complex...

"In addition to the larger injured worker case loads that rehabilitation counsellors are attempting to cope with, they have been the victims of an increasing amount of clerical and trivial tasks. The combination of these two factors has meant there is considerably less time available to injured workers for counselling and employment placement...

"Since September 1976—the beginning of the term of the previous executive director, J. Wisocky—the presence and role of statistical data has taken on a new and unique function. It is quite understandable that private and public sector organizations require statistical data to measure performance and future planning and projection. The major question that remains unanswered is how this should apply to counselling agencies such as the vocational rehabilitation division of the Workers' Compensation Board....

2:30 p.m.

"Statistical data in the vocational rehabilitation division is used not only to record levels of activity and production, but are more significantly employed in setting future 'production targets.' Rehabilitation counsellors, placement, employment and rehabilitation specialists are evaluated and rated on how they meet sterile, meaningless, statistical production goals. These targets do not take into account case load size, geographical and economic differences across the province and the central point that injured workers have unique and quite different needs in the rehabilitation counselling process. "This can be underscored by referring again to the questionnaire. Only 17 per cent of counsellors indicated that statistics accurately reflected activities in the vocational rehabilitation division to the public or the corporate board of the Workers' Compensation Board. Eighty per cent stated the compilation and use of statistics were employed to justify the vocational rehabilitation division budget and as a public relations gimmick to mislead the public, agencies, MPs and MPPs."

Hon. Mr. Alexander: What was the last statement, sir? I thought you said "mislead." Perhaps I was wrong.

Mr. Lupusella: Yes.

Hon. Mr. Alexander: Is that what you said, sir?

Mr. Lupusella: Yes.

Hon. Mr. Alexander: Will you repeat it again so that I get the full tone?

Mr. Lupusella: "Eighty per cent stated the compilation and use of statistics were employed to justify the vocational rehabilitation division budget and as a public relations gimmick to mislead the public, agencies, MPs and MPPs."

Mr. Laughren: That is terrible.

Mr. Lupusella: "Ninety-one per cent expressed the opinion that statistical data are not used honestly in the vocational rehabilitation division, and 97 per cent stated that their job performance could not be properly measured with clerical and statistical criteria."

It goes on: "The credibility crisis in management, rehabilitation counsellor work loads, management's nonreaction to heavy work loads, the development of rigid work standards, case reviews and performance appraisals and the abuse of statistics—all of these have had a cumulative and disastrous effect on the morale of the vocational rehabilitation counselling employees. In response to the question, 'How would you evaluate overall morale in vocational rehabilitation?' 70 per cent of counsellors described it as low or very low. No one described it as high."

Further on it says, "In the questionnaire, 91 per cent of counsellors stated that the vocational rehabilitation division policy and procedures do not adequately respond to the needs of injured workers."

The recommendations for recovery in vocational rehabilitation were: "1. The immediate recruitment and hiring of additional rehabilitation counsellors and rehabilitation specialists to ensure reduced case loads: field rehabilitation counsellors, 50 active cases; rehabilitation specialists, 20 active cases; in-office rehabilitation counsellors, significantly reduced case loads.

"2. The immediate establishment of fixed case loads for rehabilitation counsellors, rehabilitation specialists and placement specialists: field rehabilitation counsellors, 50-case limit; rehabilitation counsellors, 20-case limit; placement specialists, 20-case limit.

"3. The commissioning of a thorough and comprehensive external investigation of vocational rehabilitation division administration to examine:

"(a) How present vocational rehabilitation division policies, procedures and programs relate to the fundamental principles and philosophy of vocational rehabilitation.

"(b) A total evaluation of all administration positions and internal operational structures to determine their present and future effectiveness.

"(c) The establishment of education, job knowledge, rehabilitation related experience and interpersonal skills standards for mid to senior management personnel.

"(d) The establishment of professional counselling and ethical guidelines.

"(e) How the vocational rehabilitation division can be made more responsive to the needs of injured workers.

"(f) The development of a more readily accessible and responsive management structure in which the experience and knowledge of front-line employees can be utilized in policy formulation.

"(g) The changes that are necessary in Workers' Compensation Board legislation and claims procedures to ensure that rehabilitation is no longer thwarted by the claims-dominated mentality of the corporate board."

I think, Mr. Chairman, the board has much to answer for in view of the shocking picture provided for us by the submission of CUPE Local 1750. I just quoted part of their submission.

Our second concern regarding the board's report is what it does not tell us. There is a striking amount of statistical information presented regarding 1982 activities and in some cases changes between 1981 and 1982. What is not presented is a statistical profile of the total WCB pensioner population.

It is our information that in 1981 the board conducted a survey of its pensioners based on a sample. Extrapolating from the sample results, it is our understanding that of roughly 80,000 injured workers receiving WCB pension benefits in 1981, 30,000 people were over 65 years of age; 20,000 were unemployed, of whom 10,000 were receiving Canada pension plan disability benefits. This means that of 80,000 pensioners, 30,000 were working. It also means, if these figures are accurate, that 10,000 out of a potential 40,000 employable injured workers are unemployed, a rate of 25 per cent.

Given that the board's actuaries are familiar with these figures and have discussed them in

meetings with injured workers, will the board publish the complete survey so that misquotation and misunderstanding will be eliminated and so that we can have a more complete picture of the board's activities?

In addition, could the board personnel here today comment on these figures and relate them to the current activities of the vocational rehabilitation division and any current plans for its expansion?

Our next concern has to do with the current delays in scheduling appeals adjudication hearings. As the 1982 annual report notes on page 9, there have been increases in the number of appeals heard by appeals adjudicators. Our concern has to do with the implication of this increase.

Right now, it takes more than five months to arrange an appeals adjudication hearing and this assumes you already have a copy of the file. More typically, one first has to write the board to acquire the file and then arrange the hearing. This means most likely a period of six or seven months will pass between the beginning of an appeal and the time of the hearing.

Put bluntly, this is a perversion of justice. Aside from what extraordinary delays might mean in other sorts of legal processes, there is the additional consideration that in these cases we are often dealing with decisions that are fundamental to the future lifelong welfare, happiness and quality of life of men and women whose lives have been shattered by disabling injury.

Perhaps more than in many other cases, the WCB's own motto indicates the importance of a prompt procedure. That motto is, "Justice, humanely and speedily rendered." Before we adjourn, we would like the board's personnel to address these unconscionable delays.

Our next concern is the board's file access policy. As you know, Mr. Chairman, the basic approach of the board's policy in this area is that the employer is to have access only to material that is relevant to the current proceedings. In other words, the board is supposed to make some efforts to respect the privacy of the injured worker by keeping confidential such material as is not relevant to the employer for purposes of proceeding with his side of the issue in dispute.

2:40 p.m.

Our concern arises from the annual report of 1982, on page 11, that despite this policy, designed to protect the worker and maintain the confidentiality of personal and private medical information, 87 per cent of employer requests in

1982 resulted in the employer being given full access to the file.

I want to know what the policy is and, more important, who is actually making the policy over at the board. What is the file access policy and how is it that almost nine out of 10 requests for information result in handing over complete files? At the least, we need the assurance of senior board personnel that fundamental policy guidelines are being respected.

As committee members are aware, our own view of this matter is quite different. Because our first priority is to protect the rights of injured workers, we argue that full access to claim records should be made available to the employee and his representative whether or not a disputable issue exists as provided in draft subsection 65(1).

As provided below, the employer and his representative may be granted access to those records deemed relevant by the board in cases where the employer contests either an application for compensation or his accountability for cause. However, this can take place only with the knowledge of the employee and the proposal to release information can be appealed to the appeals tribunal before material is released.

Very sensitive medical information which might be harmful to the worker—for example, the diagnosis of a serious psychiatric problem or the discovery of a non-work-related terminal disease—will be made available by the board to the worker's doctor.

These proposals are fundamental to a claim procedure that is fair to the injured worker and sensitive to the confidentiality of medical and other employee records. We reject limitations on injured workers' right to information about themselves that forms the basis for the adjudication of their claims.

We are persuaded that certain very sensitive medical information might be harmful if released directly to the worker but think the exercise of discretion on this point properly belongs with the worker's doctor rather than with the board. Accordingly, we suggest a change in the wording, which would provide that such information "will" be made available by the board to the worker's doctor, rather than "may."

We are concerned that the board has initiated a program in the construction sector in which an individual experience rating system will form the basis of employer assessments. This is integrally related to the board's health and safety educational efforts, because it is our understanding that this is part of the board's commitment, as stated

on page 19, to encourage accident prevention in the work place.

We are opposed to an experience-rating plan for individual employers. There are already 27 rating classes and 108 rate groups that divide employers for assessment rate purposes. We are concerned that if individual experience rating is established, some employers will be motivated to cover up or under-report accidents or will fail to report them altogether.

In addition, there is no evidence to suggest that experience rating actually encourages employers to improve unsafe work places. Firms must continue to apply pressure on each other to clean up the work place. Government's role should be to legislate, better enforce and strengthen the Occupational Health and Safety Act. Therefore, in addition to retaining the existing assessment system, there should be a significant increase in fines for nonreporting of industrial accidents.

We are concerned about certain legislative changes that will result in a loss of income to potentially all of the 30,000 injured workers who receive WCB pension benefits and are 65 years of age or older.

An unfair and discriminatory change in the Income Tax Act now means that 30,000 disabled Ontarians 65 years of age or older who receive benefits from the Workers' Compensation Board will have their income from other federal and provincial programs reduced. I thought the Minister of Labour (Mr. Ramsay) would have made a public presentation before the federal government to make sure that the interests of injured workers in Ontario would be protected.

We know that with the present system they are already losing 25 per cent of their income when weekly benefits are paid to an injured worker receiving temporary total disability benefits. I thought the Minister of Labour would have voiced this particular concern. In addition to the 25 per cent they are losing when calculating the benefits to the time of injury, there is this extra penalizing process which has been implemented by the federal government. I thought the Minister of Labour would be vocal on that issue to protect the injured workers' interests.

Then we talked about improving pensions of injured workers in a way which has been suggested by Professor Weiler, the government's white paper and at the federal level. We heard the comments on improving pensions of senior citizens. What I witnessed were cutbacks in the level of benefits for a lot of people. I hope the Minister of Labour will take a stand on that at the

federal level and present the position of Ontario in relation to injured workers.

Elderly injured workers suffer extreme financial hardship. The federal Liberals and the provincial Conservatives talk about improving pensions and making life a bit easier for them, but with what result? The changes passed last March revealed government saving money at the expense of disabled pensioners.

WCB benefits are now considered as "outside income" when calculating benefits under the federal guaranteed income supplement and the provincial guaranteed annual income system programs. Each of these programs reduces its benefits by 50 per cent for every dollar paid in WCB benefits, so a retired pensioner with WCB benefits of \$100 a month will lose \$100 a month in GIS and the Gains income supplements. Roughly 30,000 of the 80,000 people receiving WCB pensions were 65 or older in 1981. These people and their families now stand to lose income equal to their WCB pensions. In effect, they are being penalized for having a pensionable disability.

There are enough grounds to be concerned about the whole area of compensation. What we see is an increasing use by employers of sections 21 and 22 of the act and the potential of such reliance for harassment of injured workers. I had personal experience in relation to that.

Section 21 states, "A worker who claims compensation or to whom compensation is payable under this part shall, if so required by his employer, submit himself for examination by a legally qualified medical practitioner provided and paid for by the employer and shall, if so required by the board, submit himself for examination by a medical referee."

2:50 p.m.

Subsection 22(3) amplifies the requirement: "If a worker does not submit himself for examination when required to do so as provided by subsection 21(1), or on being required to do so does not submit himself for examination to a medical referee under that subsection or under subsection 1 of this section, or in any way obstructs any examination, his right to compensation or, if he is in receipt of a weekly or other periodical payment, his right to it is suspended until such examination has taken place."

You are aware that it is an adversarial procedure. There may be a purpose to such requirements. However, no less an authority than Professor Weiler argues that historically workers' compensation has been an inquisitorial

rather than an adjudicative process—Weiler 1, pages 125 and 126.

As long as the inquisition he has in mind is not that conducted by the church in centuries past we concur. However, we are concerned that after the long period in which sections 21 and 22 have been almost dormant, employers are beginning to rely on them more and more. Their potential in terms of harassment is obvious. We would like the board to respond.

As I promised in my opening remarks, we opened an area of criticism. To be fair to the chairman and the personnel of the board, I would like to have an opportunity to substantiate the theme of my criticism with concrete cases. I am willing to give the floor to the chairman if he wants to reply to my questions first.

Hon. Mr. Alexander: Mr. Chairman, if you do not mind me interrupting at this time I do not know how we want to proceed now. We heard from Mr. Mancini and Mr. Lupusella, the spokesmen for the respective parties. I am now prepared to deal in generalities in terms of several points that were made by both Mr. Mancini and Mr. Lupusella.

We have division heads here who can get into more detail and will be prepared to get into more detail. I wonder whether other chaps around the table have questions at this time. I guess what I am trying to say is, where do we go from here? I am certain you are interested in the conclusions that are reached in that regard.

Mr. Mancini: I also have a little problem. It is usually the practice to give opening statements and then have them followed by questioning, but I guess today that procedure was not strictly followed. I have a list of questions I would like to have answered. I have not yet had a chance to put those questions because I yielded the floor after my general opening statement. I do not think I am prepared to turn the floor over totally to Mr. Alexander to answer questions.

Hon. Mr. Alexander: May I help you on this?

Mr. Mancini: I just wanted to tell the chairman that we are going to get back to the proper procedure. That is basically it.

Mr. Chairman: Mr. Alexander has offered to reply in generalities. I think most of Mr. Lupusella's questions were really in generalities. I do not really expect specific answers today.

Mr. Lupusella: There were some specific questions, and I hope someone will have made some notes in relation to the questions. Replies can be made either today or at some time through the course of the proceedings; I do not mind.

Hon. Mr. Alexander: I am glad you offered that. That is just what I was trying to say to Mr. Mancini.

We are completely flexible. In the event that Mr. Mancini wants to place his questions, he can read them. I am not saying we will have the answers today, but you can rest assured that any questions asked of the board will be answered, if not today at some time in the future.

I know many questions were asked by Mr. Lupusella. The board officials may have the answers, but I think in several instances they will not have the specific answers to the several questions.

To proceed, if you want to put your questions on the table right now I will try to make notes of them. I know my colleagues will, and your questions will be answered.

Mr. Mancini: Let us do it this way.

Mr. Chairman: Can we hear the comments of the member for Nickel Belt (Mr. Laughren) first?

Mr. Laughren: I will wait to see what the others say.

Mr. Mancini: Let us have some kind of response from the chairman. We are going to be here for three days. I will get some on the table today and I will put some on the table tomorrow. I have 16 specific questions and probably other questions will arise from those. By the end of the three days, by the time we are finished here, I am sure I will have had an equal opportunity.

Mr. Chairman: Would you like to place your questions and have immediate answers where answers are available?

Mr. Mancini: They are such that they may require a rebuttal and then a further question. That is what I am afraid of.

Mr. Chairman: With that many questions it may give little time for anybody else to ask questions in the next two and a half days.

Mr. Mancini: What I should have done was incorporate all these questions in my opening statement, but I do not remember it being the practice in the past.

Mr. Chairman: When Mr. Lupusella was phrasing his first questions, I thought that was his opening statement, and then he reverted to the other one.

Mr. Lupusella: It was my opening statement.

Mr. Chairman: It was part of your opening statement.

Mr. Wiseman: If each member has 16 or 17 questions, a lot of them will probably be repeat questions. Let us say the member for Essex South

(Mr. Mancini) was to start off at some point. After Mr. Alexander has replied—and I think he should reply now to some of these general remarks—and as the person goes on, one of us could get a chance to get in with a supplementary. In this way, if we have something relating to a question somebody asks, we will both be going over it time after time. We would all have a chance and would not get bored because we could not get on with some of our questions.

As I said, if everybody asks 16 or 17 questions, the rest of us will be out in the cold. To be fair, a lot of the questions may be in the same ball park, and we should get in and ask them at that time. On other hand, we would not be jumping back and forth and maybe Mr. Alexander would not have to keep all of his people here for three days or whatever. It may work out well that way, if we can get our questions streamlined.

Mr. Mancini: They look pretty enthusiastic. I think they want to stay for three days.

Hon. Mr. Alexander: We are here to serve, sir. You have given us an indication of the days we were wanted and we are here.

Mr. Lupusella: With the greatest of respect to the chairman, I want to be flexible. I think there are rough copies of the speeches that have been made by Mr. Mancini and by me. If the reply does not come today, the chairman can have an opportunity to reply tomorrow. I have no problem with that.

I would have some concern if the reply came when the hearing was over. I disagree with that. I think you have an opportunity to review the comments the two critics have made, and you can answer either tomorrow or the day after tomorrow. I am quite flexible.

Mr. Chairman: Perhaps we should proceed and get some questions on the floor. Mr. Mancini?

Mr. Mancini: Let us hear from the chairman. No? That is fine. Let us go with my questions, please.

Mr. Chairman: A lot of your questions, and you have quite a list there—

Mr. Mancini: I keep being asked to be flexible. I think that is what has been coming from some of the members. I get to the point where I say, "Fine, let us hear some rebuttal," and then I am asked to put my questions. Let us go to my questions.

Mr. Chairman: My suggestion is to get into your questions for perhaps an hour and then give somebody else a chance to get on the floor. I will

also entertain a certain number of supplementaries as long as they are on the particular topic that is brought up. Let us not use the opportunity of a supplementary to get into something else.

3 p.m.

Mr. Lupusella: I hope I will not lose the floor, because I want to get into specifics as well.

Mr. Chairman: Absolutely, certainly.

Mr. Mancini: What does that mean?

Mr. Chairman: Just trust me.

Mr. Laughren: Do not be so suspicious.

While we are on matters of a procedural nature, I wonder whether the committee would break with precedent and the past and, in a bold, innovative, daring move, have a brief presented to the committee from the Association of Injured Workers' Groups. I would not say that if it was just one of the groups within that umbrella, because then you could get into an impossible situation where there might be hundreds that you would hear from, but because it is an umbrella group—as far as I know, it represents virtually all the injured workers groups in the province—we might allow it to make a presentation to the committee; but not necessarily today, I do not care when. If you want a motion, I will put it.

Mr. Piché: I am certainly not speaking against what you are suggesting. The group already appeared in front of us; is it repeating something or is it something completely different?

Mr. Laughren: They can speak for themselves, I guess.

Mr. Piché: We do not want the same thing as we have already heard.

Mr. Chairman: It was presumably in the brief we all received a copy of.

Mr. McLean: Mr. Chairman, are we not dealing with the 1982 report?

Mr. Chairman: Yes.

Mr. McLean: Then let us deal with the 1982 report. That is not part of the report at all.

Mr. Gillies: My only concern would be that we not only have to be fair but also have to be seen to be fair. If we entertain a presentation before this committee from, if you will, one interest group within the framework of what we are discussing, then we should really entertain briefs from other people who have other points of view.

I have a concern. Our usual procedure in committee is to advertise for presentations from interested parties in the public, and that is perfectly fair; they are accommodated within the time that we have. I worry a little about the

precedent of inviting one group. Albeit I agree with Mr. Laughren it is a very important umbrella group, I still worry about the precedent of having it come forward without the opportunity being given to others.

Mr. Chairman: The precedent is not to have witnesses appear before the committee. We have a total of three days—two and a quarter days left now—and we have a lot of questions from committee members. I really feel we should stick to precedent and allow committee members the opportunity of putting their questions to the board members. That is why we have them here, to answer the questions of our committee.

Any comments or concerns raised in the brief from the injured workers' groups can be put to the board officials through a committee member, but I really would not like to get into a new precedent of having outside witnesses come before the board. That would be my suggestion and, really, my ruling.

I do not want to come down hard on the thing, but we have committee members who have questions to be answered.

Mr. Laughren: Perhaps the committee would consider at least keeping an open mind on it until Thursday and if it appears as though we have some time to allow them to do that, then we could make a decision on Thursday morning.

Mr. Mancini: If the member for Dovercourt (Mr. Lupusella) picks up a cold on Thursday morning, we may have some time to get these people to read their brief into the record.

Mr. Laughren: Would you at least be that open-minded, Mr. Chairman?

Mr. Mancini: The member has made a very good suggestion. Let us play it by ear and if there is an opportunity for these people to read their brief into the record, I do not think it would harm anybody.

Mr. Chairman: I really have reservations about starting a new precedent that would open it up into a three-month—

Mr. Laughren: You could be a footnote in history.

Mr. Chairman: Is that right? We already have been; we made it once.

Mr. Wiseman: I agree with the chairman. If we start that, we are opening the door; all the other groups could come and say, "If we had known, we would have come and done the same thing."

Mr. Piché: We have the presentation in front of us and obviously we are all going to read it. If

there is any input we want to bring to the attention of this committee, we will have it through the contents of this report.

The member has spoken for two hours when he could have done everything in half an hour. That would have given us more time to deal with matters like this.

Mr. Laughren: You would like that. You would be happy if we did not raise the issues.

Mr. Lupusella: We still have two days available.

Mr. Piché: I am a little worried about what is going to happen in the next two days now.

Mr. Laughren: Clean up the board and it will not take so long to criticize them, René. It is your board.

Mr. Piché: It is easier to criticize from there when you cannot put two and two together.

Mr. Chairman: I really would like the board to answer Mr. Mancini's questions. We would like to hear his questions and hear the replies to them.

Mr. Mancini: Mr. Lupusella said something about not giving up the floor. I think he has had all of his questions and all of his opening remarks in an order that we seldom allow, Mr. Chairman. I can tell you, sir, that if I thought it was going to carry on this way I would have worked in all my questions first and then made my opening comments in the same manner.

Mr. Laughren: You are not new around here, Remo.

Mr. Mancini: I am not new, but I did not realize at the time that this was exactly what was going to happen. Mr. Lupusella is not new either. He knows the critics make the opening statements and then the critics pursue the questions. That is right.

Mr. Lupusella: I do not think I did anything different from what we did a few years ago.

Mr. Chairman: Can you proceed with the questions then, Mr. Mancini?

Mr. Mancini: I want to touch on the matter of the unfunded liability of the board, Mr. Alexander.

Mr. Laughren: We are being pretty generous to you, allowing you to speak twice in the same day without other members intervening between your first and second presentation, you know.

Mr. Mancini: No, Mr. Laughren. You are wrong.

Mr. Chairman: That was an aside. Could you get on with your own presentation?

Mr. Mancini: I want to get it clear. Mr. Laughren is not correct in that statement. You are wrong, Mr. Laughren. Mr. Lupusella put forward a series of questions and then he pointedly stated, "Now I am going to get into my opening remarks." Is that not correct?

Mr. Chairman: Why do you guys not go out in the back alley and let somebody else ask some questions?

Mr. Mancini: No, Mr. Chairman. Excuse me, I do not work in the back alley. I work in the Legislature and I work in the committees.

Mr. Lupusella: Mr. Mancini, I might get the floor back because I gave an opportunity to the chairman to reply to my questions some time today or tomorrow, or even after tomorrow; so I might get into my questions now and you will be speaking after. I have been so generous with you that I am giving you the opportunity to speak now.

Mr. Wiseman: Mr. Chairman, if we do not get started with these questions no one will be able to answer them. Mr. Alexander's time, the three days, will be up and he will not have a chance.

Mr. Chairman: That is a very good observation, Mr. Wiseman.

Mr. Mancini: Mr. Alexander, I know we are dealing with the 1982 annual report, but could you bring us up to date as to the unfunded liability of the board? In your opinion, exactly what does that mean to the board? I would like the exact figures, as close as you can, and then I would like you to respond as to the effect of that unfunded liability on the board and the policies of the board.

Hon. Mr. Alexander: If you are asking what unfunded liability means, the interpretation of that is very simple. It just means the board has to take in so much money to meet its current costs as well as those costs it envisages for the future.

In 1982, dealing with the subject year, the unfunded liability was about \$1.42 billion. That means we were about 43 per cent unfunded and about 57 per cent funded. Since that time, of course, the unfunded liability has increased for a number of reasons.

We are very aware of the ramifications of what "unfunded" means, and the employers have registered their concern with respect to that as well. We now are in a position this year to try to bring back some semblance of reason to the unfunded liability, to try increasing the assessment rate to attack it. Because the economy is as it is and because we are faced with the Inflation

Restraint Act, we had to go before the government to have them look at whatever we wanted in terms of assessment in trying to attack the unfunded and to keep consistent with our day-to-day needs as the case may be.

3:10 p.m.

In the long run, it meant that what we wanted to just keep even with respect to the unfunded liability was not allowed. Therefore, the unfunded liability was not attacked in the way that it should have been attacked. It means that in the future, somewhere down the line, we are going to have to be more realistic about the funding process of the board.

I do not say we are in trouble; it just means we have to be more aware of the circumstances which lead to a greater unfunded liability. Whenever we have to deal with what you people do in terms of ad hoc adjustments, we can see that that adds to the unfunded liability. In terms of actuarial findings we did not have the authority to give countenance to that sort of thing when we were setting our budget.

The economy has sort of hampered us as well. We have claimants who are on compensation for two weeks longer than what has been expected in the past. We have provisions for a partial reduction of that unfunded liability, which also costs money. The normal increases that come every year add to the unfunded liability.

I guess the bottom line is that we all know what it is now. We are meeting with the employers and with government officials to determine how best we can tackle the unfunded liability from now on. This will call for closer liaison with management, with the superintendent of insurance, with the Provincial Auditor and with the Ministry of Labour. We have had liaison with every one of these areas in the past, but I think it calls for more, and this is what we have all agreed to do to try to tackle the unfunded liability.

Mr. Mancini: Does this unfunded liability mean that the potential increase in benefits due to the injured workers will be constrained?

Hon. Mr. Alexander: I cannot answer that question. That is a political decision the government will have to look at in terms of its mandate. As you know, we pay what the government dictates we should pay.

Any time you say, by way of legislation, there should be increases in the benefit structure, that is a political decision that has to be made. I can come around the back door and say that I think the government realizes the responsibility it has in this regard.

Mr. Mancini: I believe only Alberta and Ontario use a formula which in effect, in their accounting, shows an unfunded liability. Is that correct?

Hon. Mr. Alexander: I think they all have an unfunded liability. It is a question of just how much.

Mr. Mancini: How was it that in the past we did not have an unfunded liability per se? It has been only in recent years that we have come up with the accounting procedure which shows us indeed with an unfunded liability.

Hon. Mr. Alexander: I am now going to defer to Mr. MacDonald, but we have had an unfunded liability for some time. I guess what is bothering you and some people is the extent of the unfunded liability and whether it is controllable.

I will ask Mr. MacDonald to get involved with this because I think what you said is that in the past we never had an unfunded liability. Perhaps 30 or 40 years ago we did not, but in the past 10 to 15 years we have had. I will now defer to Mr. MacDonald, who will bring you up to date with respect to what I have said, if he has anything further to say, and answer your question about there not having been an unfunded liability in the past.

Mr. A. G. MacDonald: The question raised by Mr. Mancini had to do with the extent of the unfunded liability, and I will come back to that point. First, I would like to deal with the issue of why it is currently existing and did not exist in the past.

Let us look at some history. Back in 1974 there was a catch-up in indexing of old pensions which approximated about 52 per cent by the formula that was introduced at that time. Since then you have had virtually full indexing, year by year, on an ad hoc basis, with the exception of the last two years when the restraint percentages were applied.

In fact, in terms of the board's authority in the statute, we can only fund for a liability when it has been enacted and incurred. The practice we had was actuarially taking each indexing change, along with the increased cost that might have arisen out of the claims of that year for other reasons, and amortizing those costs over five to 10 years, particularly the indexing aspect. It has now been reduced to five years.

The fact is that progressively each year we got farther behind because of the continued indexing. You may ask why the board did not take specific action earlier to deal with that progressive increase in the unfunded liability.

During the last four years—you gentlemen have referred to it many times—the whole issue of what should happen with indexing was an issue that had not been resolved and has not yet been resolved. By reducing its discount rate in 1981, by not increasing the rate—we could have capitalized that by virtue of the increase in investment earnings—we effectively captured about half of one per cent over the discount rate and thereby started to make some provision for continued indexing.

Last year, in consultation with the superintendent of insurance and our outside consulting actuary, we reduced the discount rate by three quarters of one per cent. At the moment, we have made provision for the implicit decision to fund forever by those two actions.

When a decision is made by the Legislature, by the government and by you gentlemen as to whether all pensions shall be indexed in the future, we can specifically deal with what the full impact of a funded act is, having no regard for any other changes involved. You can then nail that down actuarially. You had our actuary before you during your committee hearings and he gave you some specific figures on that. We can have him back to talk about the specifics of it.

Dealing with your general question, if the decision of the government and you gentlemen in the Legislature is to index the act fully, then the present unfunded liability of about \$1.4 billion will increase to more than \$4 billion.

Mr. Wiseman: Is it for the last nine or 10 years that we have been in the situation? You said 1974. It was even before that and it started in 1974?

Mr. A. G. MacDonald: It started in 1974. The procedure of indexing that past benefit started in 1974.

Mr. Wiseman: It was totally funded prior to that?

Mr. A. G. MacDonald: No, it was not. There was no indexing of pensions prior to that; but there was a catch-up for the years from 1942 onwards which approximated 52 per cent.

Mr. Wiseman: We started the indexing. Did we always have a part that was unfunded?

Mr. A. G. MacDonald: Prior to 1974 the board was not unfunded in any way.

Mr. Mancini: Since the Bill Davis regime.

Mr. Wiseman: No. That was 1971.

Mr. Laughren: The board has a substantial investment portfolio, I believe.

Hon. Mr. Alexander: It is \$9 billion or something like that.

Mr. Laughren: I do not understand the accounting, so I am asking a question. What would be the result if you dipped into that? Would that simply make the matter worse because it would reduce your ability in the future to meet your potential obligations?

Mr. A. G. MacDonald: When we make a statement on our balance sheet to the effect that the unfunded liability is whatever we state, it takes into account our full income including the investment income. Either by way of setting assessment rates too low and not collecting enough money for current claims or by virtue of taking any part of our income away, including investment income, we increase the unfunded liability by 100 per cent of whatever we lose.

3:20 p.m.

Mr. Laughren: That is what I wondered. You can reduce the unfunded liability, if I understand it correctly, in one of two ways: if you get lucky in your investments or if you bring in more revenue through assessments than you pay out in the form of benefits.

Mr. A. G. MacDonald: Specifically, you have to increase assessment rates.

Mr. Laughren: But the amount you increased assessment rates by in 1984, which you projected to be 27 or 28 per cent, I believe is going to be closer to 20 per cent or less.

Mr. A. G. MacDonald: In fact, the effective increase in assessment rates was about 13.6 per cent.

Mr. Laughren: Were you just trying to scare the pants off the private sector when you said it was going to be 27 or 28 per cent? Why did you do that?

Hon. Mr. Alexander: It was not a case of scaring anyone.

Mr. Laughren: You reduced it by half.

Hon. Mr. Alexander: It was a case of our trying to have a responsible position, knowing what the unfunded liability was. Having said that, as a matter of fact, our outside consultants told us that because of the economic upturn, if you will, and I guess that can be debatable, we should bite the bullet. Having bitten the bullet, that is when the flak hit the fan. There was no intention of frightening anybody. It was just a case of our trying to be responsible in being accountable.

Mr. Laughren: By raising the rates even 13 per cent, how much are you going to reduce the unfunded liability?

Hon. Mr. Alexander: We will not.

Mr. Laughren: You will not at all?

Mr. A. G. MacDonald: It is going to be increased.

Mr. Laughren: Why have you done that? Why did you not increase the assessments by 17 or 18 per cent at least to start whittling away at it?

Hon. Mr. Alexander: I guess we could have gone ahead and done whatever we wanted, but I do not think the realities of the situation would give us that luxury.

Mr. Laughren: Because of the high rate already at 13 per cent?

Hon. Mr. Alexander: No; because of the economic position employers found themselves in and because we all know there was cent?

Hon. Mr. Alexander: No; because of the economic position employers found themselves in and because we all know there was some—and I guess we can question it—strain on management with respect to profits and with respect to the competitive aspect of their business. In fact, they started calling you people. I know you received letters.

Mr. Laughren: I certainly did.

Hon. Mr. Alexander: There it was. We said, "We need this much to at least keep even." In the long run, we did not even get enough to keep even. Down the line a piece, with consultation and with the involvement of everyone, we have to get a game plan to try to affect this unfunded liability, I will not say in a dramatic way but in a way that is consistent with reality, given the fact that the economy is tough now. We hope it is going to improve. At that time, we will want money.

Mr. Laughren: The final supplementary, and I guess it is an unanswerable question at this point because we asked it of the actuaries when they were here—

Hon. Mr. Alexander: Did they have an answer? If they did not, I do not.

Mr. Laughren: The question is, why in the world did the board reduce the assessment rates during 1978 and 1979, even though benefits were going up? The only answer they had was, "We did not know they were going to go up." You really did know the Legislature was going to raise the level of benefits. You had to have had a stronger suspicion that they would than that they would not. Why would you not raise the assessment?

Hon. Mr. Alexander: I think Mr. MacDonald tried to explain that to you. What is not for sure,

we could not take account of. Regardless of whether you thought or believed there were going to be ad hoc adjustments, that is never sure. Actuaries deal only in certainties.

Mr. Laughren: Oh, come on. You do not know what benefits you are going to pay out either, yet you have to establish an assessment rate based on what benefits you guess will be paid out.

Mr. A. G. MacDonald: My point today is that we still do not know for certain whether we are going to have to deal with an indexed act. I presume we are.

Mr. Laughren: But you know you are going to have to deal with higher benefits, right?

Mr. A. G. MacDonald: May I make this point: the corporate board is not made up of actuaries, it is made up of laypersons who have to deal with the recommendations of actuaries, the superintendent of insurance and all the authorities in the field. We took their recommendations at face value. It is very easy to say in hindsight where it was wrong. I wish I could make all my decisions with the benefit of 20-20 hindsight.

Mr. Chairman: Can we move on now? I think we have spent enough time on that point.

Mr. Lupusella: It is important.

Mr. Chairman: It is important, but we got about the same answers now as we did in committee.

Mr. Lupusella: It is an extension of the question based on the position you expressed within the present system. Is the board getting ready to review the liability in the case that the government white paper will be passed by this Legislature and you will require more cash flow from the employers? Are you getting ready, or do you stick to a principle that because the economy is not fully recovered there is no way to get money and therefore we are not going to—

Mr. Chairman: You are straying from the original question. I would like to get back to the original question.

Mr. Lupusella: It is very important.

Mr. Chairman: I know it is important.

Hon. Mr. Alexander: If you are stating that we are standing still and letting all this just go over our heads, the answer is "no." We are not standing still here, shaking our heads in misery. We know what the problem is. Those who are directly involved, whether it is the superintendent of insurance, the Ministry of Labour, the Provincial Auditor or whoever, all know we have

to have a specific plan and this is what we are working towards.

Mr. Mancini: You have not yet answered one of my original questions concerning the unfunded liability of other provinces. I believe I stated that possibly Ontario and Alberta were the only two provinces that showed an unfunded liability. I was wondering if that was correct.

Mr. A. G. MacDonald: Every board has some unfunded liability.

Hon. Mr. Alexander: It is a question of degree. They all have an unfunded liability.

Mr. Mancini: I see. Are you familiar with some of these other situations?

Hon. Mr. Alexander: We can get the information for you.

Mr. Mancini: No, I was just wondering. Because of the concern we have here, I thought your actuaries or some of the people concerned here might have wanted to know whether there were similar problems across the country and how they were being resolved or not resolved.

Mr. A. G. MacDonald: You have quite different situations. For example, in British Columbia you have a statutory requirement to be funded. In fact, they are not funded.

Mr. Mancini: Are you saying they are not following their legislation? You are saying they are funded but not funded. What do they call their unfunded liability there? If they are not funded, it must be something.

Mr. A. G. MacDonald: They have a stated unfunded liability provision. As you may know, in the calendar year 1983 the government concerned did not allow them to increase their assessment rates. Clearly, their unfunded liability will increase.

Mr. Mancini: I want to ask Mr. Alexander a question. If you have been unable to convince the incumbent government that at least we should stay with even the total amount of unfunded liability, what makes you feel that in the future you would be able to convince the incumbent government that you should stay even or whittle down this unfunded liability?

Hon. Mr. Alexander: I do not quite follow your question.

Mr. Mancini: If you are not able to show the government that the situation is something which needs to be dealt with immediately and at least try to keep the bad situation where it is now instead of getting worse, how are we going to develop proposals to convince people that in the future we should do this?

Hon. Mr. Alexander: I think what you are asking me is whether, in the light of the legislative possibilities you have now, I am in a position to say, "Government, do not move because of...." I do not think that is my responsibility.

All I can tell you is that given the fact that all persons who should be concerned are aware of what the unfunded liability is and given the fact that the board, together with the government offices, if you will, and management, realizes what the unfunded liability is and is being placed in a position to try to determine how we are going to attack that, that is about as far as I can go.

3:30 p.m.

I said earlier there is a game plan that is being developed to attack the unfunded liability. Having said that, what you want to do, in our view, is very much going to be part and parcel of the whole unfunded liability. We know Weiler is out there and has something to do with the unfunded liability—how much remains to be seen. You had the actuaries here and I assume you asked them a number of questions.

The bottom line is left up to you people with respect to where we go. We know what the unfunded liability is, we know what we need to attack it and we know what we need to reduce it. We know all the various ramifications that can occur if you people move in a certain direction. Therefore, we know what we have to do.

Mr. Mancini: In what areas have you invested these huge amounts of money?

Hon. Mr. Alexander: Bob Reilly, the assistant general manager, could give a very specific answer to that question.

Mr. Reilly: The board's portfolio at December 31, 1983, consisted of bonds, mortgages and short-term securities. The total at the end of the year was \$1.633 billion, made up of \$1.023 billion in bonds, \$408 million in mortgages and \$202 million in short-term securities.

Mr. Mancini: What is your yearly return on this money?

Mr. Reilly: The return for 1983 on the long-term investments was 10.9 per cent. That was the average rate.

Mr. Mancini: Do you consider that adequate?

Mr. Reilly: Yes.

Mr. Mancini: Does the board itself manage its portfolio, or do you have outside consultants who manage this portfolio?

Mr. Reilly: We have a management team within the organization under the control of a

manager. We have a long-term portfolio specialist, a mortgage specialist and a short-term specialist. We also have outside consultants who meet with us on a quarterly basis to give us their views on the economy.

Mr. Wildman: Could I ask a supplementary? What percentage of the portfolio is spent to operate it based on the fact that you have people inside and outside? What does management cost as a percentage?

Mr. Reilly: It costs us \$400,000 a year to manage the portfolio, which includes the outside consultants. That is the total management cost.

Mr. Mancini: I want to ask the chairman some questions about industrial disease trends.

Somewhere in your opening statement you stated that the board is responsible for the direction and control of all occupational safety education in the province. I am wondering whether occupational safety education is dealing more and more with industrial disease and less and less with accidental injuries and what steps are being taken by the board to better educate employers and employees and agencies that work with you about industrial disease. with industrial disease and less and less with accidental injuries and what steps are being taken by the board to better educate employers and employees and agencies that work with you about industrial disease.

Hon. Mr. Alexander: The first thing I can say with respect to your question is that you are quite correct: safety education in Ontario is the mandate and responsibility of nine safety associations. Whether we are talking about the Industrial Accident Prevention Association, the Construction Safety Association or the Electrical Utilities Safety Association, etc., their mandate is to educate those within Ontario about safety and education as it applies to their several and various sectors.

Industrial disease is enjoying a higher profile at this time. I know education is involved in this as well, but I am not in a position to say whether they are more attuned to industrial disease than trauma. However, in terms of the whole industrial disease question, we have Dr. Bob Mitchell, the executive director of our medical services; I am sure he is in a position to give you a more specific answer.

Dr. Mitchell: Mr. Chairman, I think it is important to realize that industrial disease is an issue to which the medical services division will have to pay a great deal of attention in the future, because what is perceived to be industrial disease

often is not, and many of the issues concerned really relate to the patient's own lifestyle.

I am glad you mentioned, Mr. Mancini—it was not mentioned by other speakers—that it is the worker who has a responsibility both for his own health and rehabilitation. If you happen to smoke 40 cigarettes a day and you work in the Toronto-Dominion tower and you suffer the normal consequences of that folly, then that is misfortune; but if you smoke 40 cigarettes a day and you go down into a mine and develop one of those problems, then it is assumed and presumed to be an industrial disease, which it probably is not.

These are the problems we have to face in reality and with some Solomon act, if you like, try to get justice there; but it is certainly one of the problems that we perceive in the future.

With industrial accidents, as you know, there is also an element on both sides. The patient's ability to remain fit, his avoidance of obesity and other factors such as alcoholism all play a part in his proneness to industrial accident. I think it is very important we recognize there is that element, both in prevention and cure: the worker himself has to participate.

Mr. Mancini: What percentage of the claims received and approved by the board now is for industrial disease as opposed to accidental injury?

Dr. Mitchell: I cannot tell you that as a percentage, but it is an increasing number. We have had a significant rise in the last year in the number of claims for industrial disease; I think it went up by 32 per cent from the previous year. The number of cases that were actually accepted did not increase to the same extent. However, there is a perception out there that if you get a disease and you work in a certain environment, then it must be related; that is very questionable from a scientific point of view.

Mr. Mancini: That does concern me.

Dr. Mitchell: It concerns us, too.

Mr. Mancini: Let me try to put it this way. Is the board properly geared up and ready to handle claims for industrial disease?

Dr. Mitchell: Yes, indeed.

Mr. Mancini: You have stated on the record that claims for industrial disease went up by 32 per cent last year. I guess we can assume it has been in the last 10 or 15 years that victims of industrial disease probably started to try to use the facilities of the board. Is that substantially correct?

Dr. Mitchell: It has been going on longer than that. We have had experience with vibration-induced white finger disease for more than 25 years, but I think it is fair to say that as attention has been directed to that sort of issue it has captured the imagination and attention of a lot of people more recently.

3:40 p.m.

Mr. Mancini: You mentioned lifestyle, etc., and how that affects the potential for disease, and then you mentioned the fact that working conditions may or may not cause industrial disease. I think we have to come to a general conclusion that many types of work are more likely to cause industrial disease, whether the lifestyle is favourable or unfavourable.

I was wondering what type of outside help the board is receiving, or what outside research is being done for the board to ensure that the victims of industrial disease are just not categorized as people who smoke too much, who eat too much or who do other things.

Dr. Mitchell: We have an immense number of outside projects going on, and I can enumerate a few of those for you.

Mr. Mancini: Please.

Dr. Mitchell: For example, there was a cluster of cancers detected in the General Electric coil plant. An immunological study was instituted to see whether those were significant and it was found that cluster was 2.3 times greater than the expected normal. This was taken on and funded by the board, with the help of the Ministry of Labour and other experts, to determine what factors were involved in this particular group.

We have a silicosis study going on, an epidemiological study at McMaster University, which is funded three ways: one by the mining industry, one by the board and one by the Ministry of Labour.

Mr. Mancini: What are these reports telling you?

Dr. Mitchell: What the results have told us in the first case is that there is a cluster 2.3 times greater than the expected mortality rate. We cannot tell you yet what the causes are. We are looking at it further.

On the silicosis study, we have no report back at all. This just got going in the last year.

Mr. Lupusella: May I have a quick supplementary?

Mr. Mancini: The last time I let you have a supplementary, you abused it, but I will let you go anyway.

Mr. Lupusella: Thank you, Mr. Mancini.

Mr. Mancini: You had better behave this time.

Mr. Lupusella: Mr. Chairman, I am quite disturbed about this medical statement, because this position expressed by Dr. Mitchell is a reflection of how the board approaches the decision-making process in adjudicating claims.

I can partly accept what you have said, Dr. Mitchell. Smoking is aggravating conditions that are work-related. I can accept that. But why do you not use the approach that a work-related disease must be considered by the board to a certain extent and therefore you recognize the claim? Why not say that above that percentage you are not responsible because the worker was smoking 40 cigarettes a day?

I would accept such an approach rather than saying, "Well, because you are disabled from other factors—because you were smoking—we cannot consider that you are disabled under the terms of the act." With great respect, your position is reflected very well through the decision-making process of each individual claim.

Dr. Mitchell: I do not think you heard me correctly, sir. I said we have the problem of looking at what participation there is. There is no doubt that certain industrial diseases are clearly related to the work place. I want to emphasize that so people do not misunderstand me.

What I did say, and I repeat it for your benefit, is that there is a growing feeling that because you get a disease and you work there must be a relationship. That is not so. That is not scientific. Do not misinterpret what I had to say, please.

Mr. Lupusella: Well, it is open to a double interpretation, and I think claims are based on such interpretation.

Mr. Mancini: We had quite an unsavoury experience in the Windsor area with the Bendix plant, which has since closed; I refer to the problem of asbestos. Several cases came before the board which gained considerable public attention. They were approved and then they were not approved. Some of them took a couple of years to be approved. I believe one gentleman was dying of cancer before his claim was ever approved.

I am quite concerned about the board's ability to react to industrial disease. With all respect, I do not think the board is as prepared to react to industrial disease cases as it probably is to accidental injury. I think that showed quite clearly in the Bendix situations. Even though I

believe you tried to answer my question, I am still not sure the board is prepared. I need a little further convincing.

Dr. Mitchell: It is hard to convince people who perhaps do not know the exact details of what goes on. We have two industrial disease consultants on our staff at the moment, which is twice what we had two years ago.

Mr. Mancini: You did not have any before?

Dr. Mitchell: We had one before and we now have two. We are looking at a third one for the future.

Mr. Mancini: When you say "industrial disease consultants," what exactly does that mean?

Dr. Mitchell: That means a person who has trained in medicine and has had post-graduate training in epidemiology and other matters related to the detection and handling of industrial diseases; a person who is familiar with the toxic qualities of some materials, who understands some of the—

Mr. Mancini: Do these people work with claims?

Dr. Mitchell: They work with the medical services division.

Mr. Mancini: You have two.

Dr. Mitchell: Yes. We have two at the moment.

Mr. Mancini: Are they able to handle all this work?

Dr. Mitchell: Are they able to handle it?

Mr. Mancini: Adequately?

Dr. Mitchell: Yes.

Mr. Mancini: And look at these claims?

Dr. Mitchell: Yes.

Mr. Mancini: I find that impossible.

Dr. Mitchell: You find that impossible?

Mr. Mancini: I find that impossible.

Dr. Mitchell: You find that impossible?

Mr. Mancini: Yes, I do.

Dr. Mitchell: Well, it is a fact.

Hon. Mr. Alexander: Mr. Mancini, if I may interject for a moment, I think Weiler's second report also had some concern about the whole question of industrial diseases. I do not think it should go unnoticed that he indicated the board does as well as it possibly can under the circumstances. In other words, he was flattering with respect to that.

Having said that, he then brought forth a proposition which he felt would be of some

assistance to the board. He thought it most unfair that the board—and I guess he could say this with respect to all boards across the country—is placed in a position to determine the ramifications regarding industrial disease. He then suggested in his report that there should be some form of industrial disease panel, whatever that might mean.

He thought that even though we were doing a great job—and those are not my words—it was most unfair that we should continue to be attacked, notwithstanding the fact that we were doing the best with what we had. I do not think that should be forgotten.

I just wanted to bring that forward because, as he says, there is the possibility of this serious and important question being answered by some form of industrial disease panel, whatever form that might take.

Mr. Mancini: I am not so sure we need a panel.

Hon. Mr. Alexander: Something.

Mr. Mancini: I think we need experts to work with the board to look at these claims thoroughly, because I am sure they are very complicated and difficult to resolve. What we need is to have the proper experts and give these people the time to look at these claims.

As was the case in Windsor at the Bendix plant, it did not matter what the disease of the individual worker was; it was always disputed by the company. These things are very difficult to prove. With all respect to Dr. Mitchell, I do not think two people can do that very big job properly. I do not think they have the time to look at all the claims in a proper fashion.

Hon. Mr. Alexander: Your concern is noted in that regard, but I also heard the answer given by Dr. Mitchell. I also know well the thoughts of Professor Weiler in this regard, and I am sure you are versed with respect to the latter.

3:50 p.m.

Mr. Chairman: Dr. Mitchell, I think you also said there was a third person planned for that department.

Dr. Mitchell: Yes, sir. We are sending someone away to get further training, and we have plans to add that individual to our staff.

This word "expert" is a wonderful word. There is a field of people with whom we consult all the time on situations of concern. But the basic work is done by those at the board. It is important to recognize that we are using all the facilities available to us in trying to keep up to date. We are encouraging research. We are looking at what is

going on. We are getting help from the Ministry of Labour. I do not think there is any magical group of people with whom we are consulting.

Mr. Mancini: No, I did not mean it in that respect. But when you only have two staff people to look after thousands of claims to have some input—

Dr. Mitchell: They are coping. If they were not coping, we would correct the situation.

Mr. Mancini: I am sceptical about that, and I think I have the right to feel that way.

Workers' advisers have always been of interest to me. Do we have three or four now?

Hon. Mr. Alexander: Four, I believe.

Mr. Mancini: Why has it always been the policy of the board to make it almost impossible for an injured worker to have a workers' adviser? I say that in the light of the many thousands of claims you receive. There are four people available to be workers' advisers. I have used the services of the workers' adviser on a fairly regular basis. I think they try to do the best job they can.

I am sure the gentleman with whom I consistently deal tries to do the best job he can, but sometimes it takes a considerable amount of time to obtain the services of this adviser. If that problem is happening to me, it is happening to all the other members. It is certainly happening to people who have been injured and possibly to trade unions and others who are trying to represent the injured worker. Certainly they are not able to get the services of a workers' adviser any faster than can members of the Legislature.

I have always wondered why there is this policy at the board. At one time there was one adviser, then there were two, and now there are four. Is it a game we are playing with these four workers' advisers?

Hon. Mr. Alexander: No, Mr. Mancini. I know that just came out in passion. I am sure you did not mean the board is playing games. I am surprised to hear you say that workers' advisers are not available, because I get numerous letters questioning the services of the advisers. In the long run, I do not hear back to the effect that they did not receive an adviser.

Right now, as I have said, we have four advisers. They are able to handle that job up to a point. I think we have just retained the services of another. But to give you further details of what happens with respect to workers' advisers, we have here Mr. Tom Warrington, who is the vice-chairman of appeals, under whose jurisdiction the workers' advisers fall. He will be able to

give you some statistical information about what they are doing, how they are doing it and about the backlog, if any.

Mr. Mancini: I should put in a plug for Mr. Vagners, who handles a lot of cases on my behalf and who has done a pretty good job. It is not his fault if he has many other cases in front of him before I call him.

Mr. Warrington: That is correct. The workload of the workers' advisers has increased dramatically in the last few years. We have four permanent advisers and one temporary adviser at the present time. One reason for not increasing staff in the last few months has been the impending new act. One of the act's recommendations is that workers' advisers go outside. Until that decision is made, it is very difficult for us to increase staff.

Mr. Mancini: We have been working for four years on this new act and we may go some time yet before we have a new one. I am not so sure we should be waiting for the new act.

You have to agree with me that there is just not enough time for the workers' advisers to serve the general public. I cannot believe anybody can sit here and say, with the thousands and thousands of claims and the thousands and thousands of appeals that are made, that there are enough workers' advisers to serve the need. I cannot believe that. While you may have to couch that in other terms, I think the bottom line is that there just is not the assistance available for workers. It is very difficult for MPPs to go to all these hearings. Our staff are not trained to be workers' advisers, although they try hard. With all due respect to the chairman, lawyers are absolutely the worst people to send to a hearing as far as I am concerned.

Hon. Mr. Alexander: No comment.

Mr. Mancini: We have this problem, and I think it is a significant problem. Why can we not be more aggressive about making sure injured workers who have appeals are able to obtain assistance when they need it?

Mr. Warrington: We will certainly take your comments under advisement. There is a problem there and I recognize it. I think it is time we moved in that direction, to an increase. But until we get an idea of whether we are going outside—when I say “we,” I mean the workers' advisers—there may be a problem in staff. From informal discussions with the workers' advisers, we have learned they are not interested in moving outside; they want to remain with the board. That would mean an entirely new group. I anticipate

that decision will be made shortly. If they are remaining inside the board, then without hesitancy I will recommend that we increase the complement.

Mr. Mancini: Do you have any idea how many appeals per year they handle on average?

Mr. Warrington: Of actual hearings attended, there were 268 in Toronto and 82 outside Toronto, a substantial increase over the previous year. Also, for appeals adjudicator hearings, there were 470, an increase of 25.3 per cent; and there were 163 appeals adjudicator hearings out of Toronto, an increase of 101 per cent.

Mr. Mancini: That is 900 appeals?

Mr. Warrington: I do not have a total, but it would be about that.

Mr. Mancini: Four people have done that?

Mr. Warrington: Four plus one temporary.

Mr. Mancini: What does that work out to per five working days? Has anybody got a calculator?

Mr. Chairman: Per working case load. Do you have an average case load?

Mr. Warrington: Yes; about eight.

Mr. Mancini: They are doing two a day. Can they adequately prepare themselves to do two every day?

Mr. Warrington: They also do many other things, of course. An injured worker might call in and require more information which they can obtain from the medical services division or the rehab division, not requiring an appeal. Employers often call in for information. They do not represent employers at appeals, but they do spend some time answering their concerns.

Mr. Laughren: I want to put a bug in your ear in case you have some influence over the workers' advisers to have them not so closely affiliated with the Ministry of Labour when and if they become more independent than they are now, according to the recommendations of the white paper and the committee report and so forth.

I personally have a concern that as Ministry of Labour employees, they will be restricted in the advocacy role they will play. I am worried about that. For example, northern affairs officers will not take an advocacy role; if you go to them with a problem, they will give you information, they will tell you who to phone and so forth, but they will not take an advocacy role. Unless you get those people more independent than putting them in a Ministry of Labour office, you are going to

end up with a system not much changed from what is there now.

Mr. Warrington: We have no control over that, Mr. Laughren, as you can appreciate.

Mr. Laughren: I think you have a great deal of control.

4 p.m.

Hon. Mr. Alexander: Perhaps I can say now that the deputy minister is sitting here, and I am sure he is taking your comments under very serious consideration.

Mr. Armstrong: I am certainly listening to them, but with some puzzlement. I do not agree with you. I do not know why their being housed in the Ministry of Labour would mean they would not take an advocacy role. That is an interesting proposition. It is simply an assertion; there is no empirical evidence for that. We never had any.

Mr. Laughren: I used the northern affairs officers as an empirical example.

Mr. Armstrong: But the Ministry of the Attorney General has all sorts of people who are taking advocacy roles. We have lawyers in the Ministry of Labour who are representing the crown in prosecutions under the Occupational Health and Safety Act. I do not think there is anything about public service employment in the ministry that prevents a useful and aggressive advocate from representing a client's position. So while I respect your opinion, I do not agree with it.

Mr. Laughren: I respect your right not to agree with me.

You use a good example about the Attorney General, but there is a little difference there. For example, the community legal clinics are funded by the Attorney General's ministry, but they are not employees of the Ministry of the Attorney General; they are employees of the local boards that are set up. I think that is a big difference. It allows them to be true advocates in the real meaning of the word.

Mr. Armstrong: Yes, but the members of the crown law office are all employees of the Ministry of the Attorney General; so you have it both ways.

Mr. Laughren: Maybe that is who should employ the workers' advisers.

One reason I would like to see them taking more of an advocacy role, quite frankly, is the way a lot of New Democratic Party offices are plugged with Workers' Compensation Board problems. I am not exaggerating. We have been

through this before. I would like you to understand that.

Mind you, the workers' advisers will still be on the public payroll and will increasingly subsidize the private sector by doing what is really private sector work. But that has never bothered the WCB. They will take the subsidy without complaining.

Mr. Chairman: Thank you, Mr. Laughren. Mr. Mancini.

Mr. Mancini: I would like to touch for a moment on the rehab hospital. When injured workers are asked to go to the rehab hospital, do you think they actually know what they are going there for? Some of the feedback I get leads me to believe they do not know why they are going there.

I think a lot of them believe they are going there either (1) to be looked at to see if they are retainable in another field and then to be helped in that area, or (2) possibly to be helped medically. I am left with the impression that they go to the rehab hospital for neither of those two reasons. They usually go there and are cut off benefits after they return home or they are assessed a pension.

It is my belief that when they are asked to go to the rehab, they do not have any knowledge whatsoever of why they are going. That is why I get letters and calls which state: "I was asked to go to the rehab. I stayed there four or five weeks. I was interviewed once and I was asked to do a few exercises. I got home and now I am cut off benefits."

I am afraid it is the view of many of the workers who are sent there that they are going for the two reasons I mentioned—either medical help or vocational rehabilitation—yet that does not seem to be the role of the hospital.

I was wondering whether you could just take a moment and define for me clearly the role, as you see it, of the rehab hospital.

Hon. Mr. Alexander: I will pass it on to Dr. Mitchell, but I think you have forgotten that in a lot of instances the family physician and/or the specialist who the injured worker has been referred to recommends that this individual go to the hospital. There is a great deal of input from the family physician or the specialist, saying, "I believe the hospital is the proper place for this individual to get further medical rehabilitation."

I find it strange that you say those who go to hospitals do not know what they are there for. I have received a lot of letters from people. I will be fair; I get complaints as well, but I think the letters I get which praise the hospital in terms of

what the people there have attempted to do speak for themselves. The patients know what they were there for and they are happy with the results after staying there for, I guess, an average of some 20 days.

I find it strange that you say those who go to the hospital do not know what they are there for. In a lot of instances it is the family physician or the specialist who says, "I feel the best thing to do for this injured worker, to see that further progress is made with respect to his medical enhancement, leading to his vocational enhancement, is to place him in the hospital."

Dr. Mitchell, I am sure you have the answer, but I just wanted to register my surprise that these people do not know why they are going there.

Dr. Mitchell: I wish I did have the answer. I suspect Mr. Mancini is right for a certain portion of the cases. Communications have not been as good as they might be. I do not know where we can lay the blame on that, whether it is with the family physician or the specialist.

Mr. Mancini: Let me ask a question. Let us say a person with a back injury, for example, has been on workers' compensation benefits for some months; there does not appear to be much progress, so he is sent to a rehab. What do you think should take place after the worker signs in?

Dr. Mitchell: I think what takes place is what should take place. He is assessed by a physician, he is put on to an assessment—

Mr. Mancini: Give us some time frames, please, Dr. Mitchell.

Dr. Mitchell: Excuse me?

Mr. Mancini: Please give us some time frames. A person checks in and you say he is assessed by a physician. Is that the next day?

Dr. Mitchell: That is on the day of admission. Occasionally it is held over if there is a problem—if the physician is ill or something—but in general he is seen by the physician on that day. The physician assesses what suitable treatment and assessment program he should be placed on. He receives various forms of treatment and assessment.

Mr. Mancini: The physician looks at the patient and at the file and then he decides whether the patient should stay at the rehab or be sent home. What happens if he is going to stay? I want to understand this very clearly.

Dr. Mitchell: The patient is admitted and, in most instances, stays. Occasionally the patient expresses a concern or the physician who examines him detects a problem which would make it unsuitable for him to stay and he is

discharged from the centre. In most instances a patient is assessed by the physician and stays.

The treatment program varies from individual to individual. It depends somewhat on the length of time between the accident and when he is admitted to hospital. When that time frame is shorter rather than longer, the patient is more likely to benefit from active treatment.

Mr. Mancini: What is active treatment, please?

Dr. Mitchell: Active treatment?

Mr. Mancini: Yes.

Dr. Mitchell: That includes physiotherapy, remedial gymnastics and involving the patient in his own rehabilitative program. It includes a back education program. You mentioned the case of a patient with a back injury.

Mr. Mancini: You are assuming the patient will be kept busy every day doing something.

Dr. Mitchell: That is the objective of treatment, yes. As I say, we think it is very important to involve the patient himself in the rehabilitative program; therefore, he should be kept busy. We have the occasional patient, of course, who comes in with an acute problem and he is put to bed in the hospital section. But in general they are kept busy for most days.

4:10 p.m.

Mr. Mancini: I do not want to sound picky, but basically I am trying to get a blow-by-blow description. With all respect to the comments of the chairman that he may receive letters from people who have been satisfied, I get many letters and calls from people who are not satisfied.

Dr. Mitchell: We see those too.

Mr. Mancini: I am tired of hearing from constituents and others that they go to the rehab, they are seen by a physician some time in their three- or four-week stay and they are given nothing to do. They may be asked on occasion to do a few sit-ups, stride jumps or something and that is the extent of it.

Maybe there is some exaggeration in that, or maybe most of it is true, but if we as members do not very clearly understand exactly what is supposed to happen, then we cannot properly represent these people. If you tell me they are to be seen on day one or day two by their physician and a plan is to be prepared for them, depending on the injury and the time when the original injury occurred, then I think I have a better understanding of what the rehab is supposed to do.

I am not trying to be picky, but I want as thorough a description as possible, please.

Dr. Mitchell: You have had it up to this point. They are seen by the physician, the plan is given and they are kept busy for most of the time.

There are several departments that I think you should be aware of. First is the radiological department; someone may need up-to-date X-rays. There is the remedial gymnast department where they try to improve the patient's own physical status. There is the occupational therapy department where they are given opportunities to work at tasks which may resemble what they might be expected to do should they return to work. There is the physiotherapy department but, in the physician's view, many of our patients are past the point where active physiotherapy will help them and a lot of them do not attend.

There is the psychology department where they may be interviewed and may get psychological help. There is the psychiatric department where they may be interviewed and an assessment made. There is the rehabilitation and claims department where we try to get the rehabilitation counsellor involved early in the program. They really are kept quite busy.

Mr. Mancini: Is there a staff person who follows each person through?

Dr. Mitchell: Yes. They are followed in each of those areas. In addition, we have encouraged the physicians to review them at seven to 10 days after admission and at seven- to 10-day intervals thereafter.

Mr. Mancini: So you are saying that after he has been there for seven days, the injured worker has another meeting with his counsellor?

Dr. Mitchell: With his physician.

Mr. Mancini: With a doctor?

Dr. Mitchell: With a doctor. His case is discussed often, once or twice a week, at a team meeting; members of the various divisions meet with the physician and discuss the problems. The patient is then seen immediately prior to discharge by the physician and a recorded note is made.

When you hear stories they have never seen a physician, I think you must view that with some disbelief. On average we would expect the patient to have been seen on three occasions by the physician: first on admission, then a follow-up at seven to 10 days and a final interview at the time of discharge.

Mr. Chairman: I have Mr. Laughren's name down first for a supplementary and then Mr. Wiseman.

Mr. Mancini: If that is the case, I am not going to give up the throne.

Interjections.

Mr. Mancini: It is okay; go ahead.

Mr. Laughren: Mine does not have to do with the doctor, so perhaps Mr. Wiseman can go ahead.

Mr. Wiseman: I wonder about incidents in which physicians at home have looked at people. I realize some of them are friends of the family and they tell the person, rightly or wrongly—I would like to think it is always rightly—that so and so should be getting this.

For instance, if a person had a problem with his knee or his back or something like that, would the physician who looks at that person be a specialist in orthopaedics, or would he be a general practitioner who may not be any more of an expert than the expert, say, back in the riding of Lanark? That seems to be a problem, because the doctor back at home, rightly or wrongly, thinks he is right. I would like to know whether these experts looking at him are specialists or general practitioners.

Dr. Mitchell: "Expert" is a wonderful word, as you know, but we like to feel we have a continuing education program that does bring our physicians to a standard where they can look at these problems and assess and treat them accurately. You do not have to be an orthopaedic surgeon to do that. An orthopaedic surgeon is trained to do the operations and to do them very well. However, one can be trained outside the field of surgery to assess and treat an injured knee without becoming an orthopaedic surgeon.

A lot of our physicians have been general practitioners, but as they receive training, they gain experience and become very good at assessing these problems.

In addition, if they feel it is necessary, we have a lot of senior consultants—in orthopaedics, neurosurgery or whatever field they may want—who are available to see that patient.

Mr. Wiseman: There are so many back problems; do we not have someone on staff who is an orthopaedic specialist?

Dr. Mitchell: Yes. We have people trained in orthopaedics and they are on staff. Not every patient is seen by that doctor. A lot of back problems may be very well assessed by a doctor who has had experience and continuing education. A lot of patients are referred to an orthopaedic specialist if there is a problem.

I think there is a misconception about the level of competence of physicians of the board. They

are conscientious people. They are not infallible. They work hard and we are really making a very good effort to help them keep their skills elevated.

Mr. Boudria: I want to ask a question about a problem I have had at the rehabilitation centre with many of my constituents; it concerns the linguistic problem.

I have had many complaints from constituents who have had difficulty obtaining services in the French language at your hospital. Several thousand of my constituents are unilingual francophones. They have experienced quite a bit of difficulty in the past, even to obtain basic things such as a glass of water, and having to get janitors or other patients to act as interpreters.

Trying to get such basic things is very difficult and traumatizing. It eventually makes the patient blow up; he just takes a fit in the face of such discouragement. I had one particular case I could name—not on the record, of course—where the person went completely berserk in your place. He was a fellow whom I know quite well, a very reasonable man.

It has been an impossible situation. How do you deal with that? How do you deal with the medical aspect of translating? Translating is a very difficult thing. I have a hard time expressing myself in both official languages occasionally, as you have probably detected by now, but I am particularly concerned with the medical aspect of translating because it is not something that can be done by just anyone.

Dr. Mitchell: It is a problem. We are in Metropolitan Toronto, where we probably have more Italian-speaking people than French-speaking people. We have a lot of these patients from the north. We do have translators and interpreters to help but, as you say, that is not quite the same thing as being able to speak in your native tongue.

We have one or two physicians who are reasonably bilingual, but that is not uniform in any way. We try to get the help of anybody else who is available when the interpreter is tied up. As you can imagine, with an inpatient load of 500 patients, trying to get enough interpreters at any one time can be a problem on occasion.

4:20 p.m.

Mr. Boudria: Have you ever availed yourself of the services offered by l'Accueil medical francophone?

Dr. Mitchell: I cannot tell you if we have used that particular service, but we have used an outside service on occasion and have found it less

than satisfactory because of the technical terms that are sometimes required.

Mr. Boudria: L'Accueil medical francophone, if you translate that, means medical translating service. It is a government-sponsored agency operating out of the Toronto francophone centre.

A typical scenario is as follows: someone from northern or eastern Ontario gets off the train, say downtown here, who knows not two words of English. That person is usually met by someone from l'Accueil medicale francophone, who assists in translating everything, including medical terms.

The people who work there are all registered nurses to be able to do medical translating, which is not the same as pure translating; sometimes counselling is required with it and everything else. They have expressed to me that in the past, even when they have offered their services to the board, the board has been rather reluctant to use the services they have offered.

Would you venture to inquire into why that is the case and why you are not using that service? As I say, it is totally subsidized by the provincial government—by three ministries, the Ministry of Intergovernmental Affairs, the Ministry of Northern Affairs and the Ministry of Health, I think.

Dr. Mitchell: We would be very happy to look at that. I suspect one of the problems is timing. A physician sees a patient at a time that often is not announced in enough time to get an interpreter there from outside the building. We can get one from inside, but not from outside. However, we will gladly look at that group as a source.

Mr. Boudria: I just hope the chairman is taking some note of this, because the services at the rehab centre have posed a very serious problem in the past for the constituents I represent.

I cannot say the same thing for your offices. When meetings are arranged there, if an interpreter is asked, the interpreter is usually satisfactory, available and so forth. You seem to have an ample supply of them, or you organize yourself ahead of time to have them.

At the rehab centre it has been a very difficult experience for many of my constituents. As you know, Mr. Chairman, there are some 500,000 francophones in this province, and of those there are still many thousands who are unilingual.

In my own riding I have perhaps 5,000 or more who are unilingual, and they are often in the kinds of jobs, such as construction, which tend to

have a higher proportion of work-related injuries and so forth.

Hon. Mr. Alexander: I am glad you brought this to our attention. Dr. Mitchell's reply would indicate that he too is glad you brought it to our attention. I am sure that in due course he will be bringing something to the board, or it will be brought through Gordon Hall, who is certainly involved with the whole bilingual approach of the provincial government, by way of trying to address the problems you have placed before us.

I hope it is not a serious problem, but I think it is the kind of issue we can cope with. We can get you an answer in due course. I do not know when, but now that you have indicated you believe there is a problem, we are now aware of it, and we do not want to come back next year—

Mr. Boudria: I am not specifically looking for you to start digging up through files and giving me an answer; rather, I want you to be aware of the problem and, I hope, to work towards increasing the complement you have to improve what we have now. I would appreciate it.

Hon. Mr. Alexander: We will take it under very serious consideration, sir.

Mr. Boudria: Thank you.

Mr. Chairman: Mr. Laughren, has your supplementary been answered yet?

Mr. Laughren: No, Mr. Chairman. I have a couple of short supplementaries; one of them perhaps I could ask my way.

What happens when an injured worker in your rehab hospital says: "I do not like what you are telling me my program will consist of. I would like to consult my specialist back home"? What happens then? What do you do?

Dr. Mitchell: I think we would say: "That is your privilege to do so. We would encourage you to feel happy in what we are recommending. Nevertheless, we would like you to make an effort to participate in what we have outlined."

It is very difficult for a doctor in Sudbury, say, to know exactly what has been prescribed in Toronto. Actually, it would be a lot better if our physician were to call the physician in Sudbury and say: "This is what I have prescribed. The patient is concerned. Are you happy with that?"

Sometimes, I am afraid, there is a distrust of our physicians. They are perceived as pawns, as people paid by the board who are only interested in one thing, and the patient says, "Well, no, I would rather call him myself." Ideally, the communication should be physician to physician,

saying: "This is my program. Do you have any objections to that?"

Mr. Laughren: But you would not cut off that person's rehab program and benefits because of that decision?

Dr. Mitchell: You know we are not two-headed monsters.

Mr. Laughren: You mean you can do your bit with one head?

Dr. Mitchell: We would try to persuade the patient to go along with it. Sometimes there is a position taken by the patient, saying, "No, I will not." Then our approach is: "We are here to help you. If you do not, this may influence what happens to your claim subsequently."

Mr. Laughren: That is what bothers me. You are dealing with an individual's wellbeing here, and his own sense of wellbeing is important to the rehabilitation process. If he is suspicious or even frightened of what is in store for him in a program, then it is terribly important.

Dr. Mitchell: I agree. You know explanations are given and people are called. We try to do it.

Mr. Laughren: You may find my other question strange, but are interviews with the injured workers on the programs ever taped without their knowledge?

Dr. Mitchell: Not to my knowledge, no. When you say interviews, are you talking of taking the history and that sort of thing?

Mr. Laughren: Yes.

Dr. Mitchell: No. There is a Dictaphone in the room which the doctor uses to dictate a note when he has seen the patient, but there is never any subversive activity of the sort where the patient's comments are taped and used.

Mr. Laughren: Now for my final question, Mr. Chairman. If I were to make a brilliant speech in the Legislature—do not look so doubtful.

Interjections.

Mr. Laughren: Perhaps I will rephrase that. If I wanted to distribute my views about the rehab centre or the compensation board or my opinion about what the rights of injured workers are, could I take them in the form of a piece of paper or half a dozen pieces of paper and go up to the rehab centre and distribute them to the people there?

Dr. Mitchell: Which people?

Mr. Laughren: The injured workers. I would not want to give them to the physicians.

Dr. Mitchell: The physicians might be the right people to approach. We have been guided

by the Ombudsman on the availability of visitors to distribute literature at the centre. We have generally prevented people from soliciting patients who are in hospital.

Mr. Laughren: I agree if there is money involved. I agree totally.

Dr. Mitchell: Recently this matter went before the Ombudsman, who laid down four or five criteria which we are following. We believe those are just and proper; I just cannot run through the whole four or five now, but it is a reasonable list.

Mr. Laughren: Back to my question. Could I distribute my views to those injured workers?

Dr. Mitchell: As an individual?

Mr. Laughren: Yes.

Dr. Mitchell: No. I do not believe that goes within the guidelines set out by the Ombudsman. But if you belonged to one of the groups of injured workers of Ontario and you asked for an appointment to come and see an individual, you could do that.

Mr. Laughren: Okay. What occurred to me was that if you are determined not to open up that process a bit, perhaps you could have a place there, almost like a magazine rack, where people could have access to—

Dr. Mitchell: Literature.

Mr. Laughren: —literature; dare I even say debates on the compensation board here in the assembly?

Dr. Mitchell: It is a point that I think we should look at.

4:30 p.m.

Mr. Laughren: I understand your nervousness about the other.

Dr. Mitchell: You do appreciate what we do not want—

Mr. Laughren: Yes. I do not agree with you, but I know why you are nervous.

Mr. Piché: I am also nervous. What you want to do is open an NDP office up there.

Mr. Laughren: If that is who the injured workers see as serving their interests best, so be it.

I remember objecting to one organization that was charging money going in there too, I appreciate that.

Mr. Chairman: It is almost 4:30. We will now adjourn until 10 o'clock tomorrow morning when Mr. Mancini will carry on with his list of questions.

The committee adjourned at 4:30 p.m.

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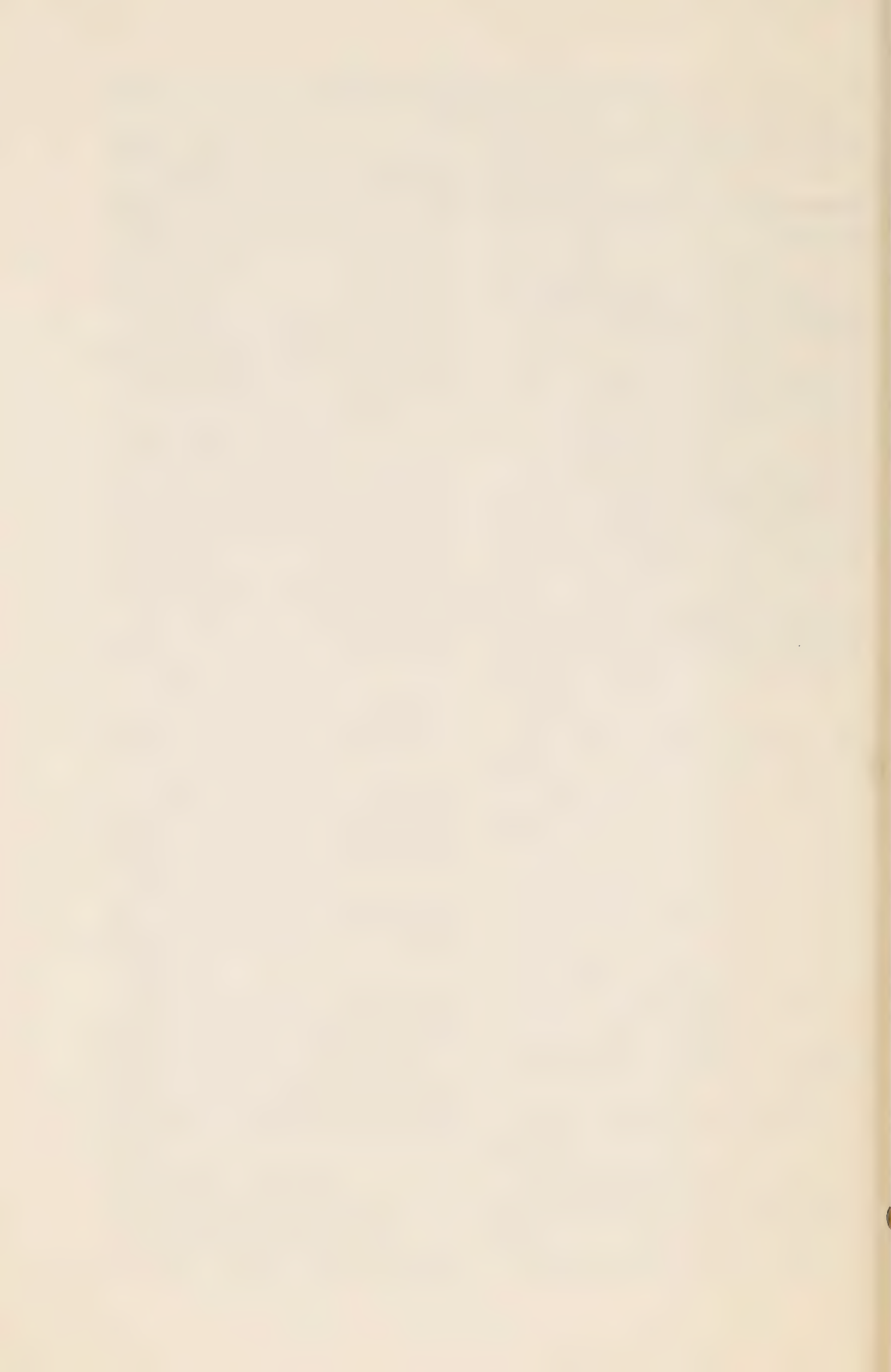
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No. R-3

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Wednesday, March 7, 1984

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, March 7, 1984

The committee met at 10:13 a.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982 (continued)

Mr. Chairman: Committee members, we will call the meeting to order. When we were together last evening, the member for Essex South (Mr. Mancini) had the floor. I think he probably had one or two questions left. Is that right?

Mr. Gillies: Sixteen.

Mr. Mancini: Twelve or 14.

Mr. Chairman: Oh, is that right? I know you had a list of 16. I was trying to hurry it along and give everyone an opportunity. You have the floor if you would like to continue.

Mr. Mancini: Did we finish with the rehab yesterday?

Mr. Chairman: The rest of us did; I do not know whether you did or not.

Hon. Mr. Alexander: Mr. Chairman, on a point of order: You will notice that we have another chap sitting in the place of John McDonald, who, incidentally, has an extremely bad back; we thought it best that he not show up. In his stead we have Mr. Sam Van Clieaf, who is the director of the claims adjudication branch. I think he is an adequate replacement.

Mr. Chairman: Welcome.

Mr. Sweeney: You do not have a bad back.

Mr. Van Clieaf: Not yet.

Mr. Sweeney: I do not know how you can do that job without a bad back, then.

Hon. Mr. Alexander: I have one, too, so I understand.

Interjection: That qualifies you.

Interjection: The question is, is Dr. Mitchell—

Hon. Mr. Alexander: Dr. Mitchell is still there.

Mr. Mancini: Did we finish the rehab yesterday?

Dr. Mitchell: I understand we did, but that is a matter of perception, I guess.

Mr. Mancini: What procedure would the board follow after an injured worker had been through the rehab centre after he had been on benefits for some time—say a year or 18

months—and it was decided that the temporary total benefits were going to be turned into possibly a permanent partial pension for back, hip, shoulder, or whatever, and that the injured worker would be unable to return to his original job for that reason? What position and procedures should the injured worker follow, or what procedures would the board have him follow, through the rehabilitation process?

How would you assist these people? I have not been able to determine, in all the years of helping injured workers, what the board's policy is in this regard. It seems that some people might be sent to school or something and others are not. Some people are found employment with a firm that will take them. I was wondering what you expect should happen in this particular situation.

Dr. Mitchell: From the medical point of view, once a decision has been reached from the investigation at the hospital rehabilitation centre, that patient is directed for pension review at head office by one of our physicians who look into the degree of pension.

As far as the rehabilitation is concerned, Mr. Darnbrough, who is in charge of that, might give better information than I can. The expectation, and I am sure it is fulfilled, is that there be the fullest co-operation and everything appropriate would be done.

Mr. Darnbrough: Mr. Mancini, we have correctly assumed, I think, that your question concerns vocational rehabilitation as opposed to medical rehabilitation.

Mr. Mancini: Right.

Mr. Darnbrough: We are talking about someone who has left the hospital rehabilitation centre and has been rated for permanent disability and is still unemployed.

If it will help clarify, the objective is to help that person return to employment. What we are aiming at is employment which will help that person to realize at least the pre-accident earning potential; that is, restoring someone as closely as possible to the type of occupation, lifestyle and earnings he or she had before the accident took place.

There are many ways of doing that. Dealing with an individual, we have to look at that total person and all his strengths and weaknesses, his

aptitudes and his abilities and do the considerable amount of testing necessary to determine the occupation he should be going into, assuming that he cannot go back to his normal occupation. When we have made that kind of decision, with the co-operation of the injured person, then we set the particular objective and lay out the phases and steps that are necessary to accomplish that objective.

Mr. Mancini: Am I to understand that all of the injured workers who are given permanent partial pensions, say from seven to 30 per cent pension, who are probably able to do some type of work, are assisted in this manner?

Mr. Darnbrough: One thing that might help form a perspective is that only about 8,000 people last year required assistance from vocational rehabilitation to begin with, out of 130,000 or 140,000 who were disabled from work.

Mr. Mancini: You say help was required; how do you get that?

Mr. Darnbrough: These are the people who were unable to return to employment because of their injury.

Mr. Mancini: To their original employment.

Mr. Darnbrough: That is right. They did not have a job to go to and the contributing factor was that they now have a disability. Those people come to vocational rehabilitation for service.

The point I am trying to make is that the vast majority of people go back to work with no assistance at all from vocational rehabilitation.

Mr. Mancini: What has happened with these 8,000 people? I understand the answers you are giving me, but they do not fit into a situation that I run into on a daily basis and especially since I have been critic, where people are unable to return to their jobs, or the original employer does not have light work available for them and the people do not seem to me to be given any assistance in some type of retraining and are unable to find other jobs. What you are saying does not fit into what is happening.

Surely, with these 8,000 people you are talking about, you must be running into some problem areas. I cannot get at those because I really do not know yet how you are supposed to be treating them.

10:20 a.m.

Mr. Darnbrough: Quite frankly, I do not know what you propose the problems areas are either. If you have individual cases you are concerned with that is one way of addressing it, but to comment that what is happening is people are not being serviced I think really is not the

case. We have an excellent counselling staff available to the people in this province. We are training people who require job training or skill training.

Mr. Mancini: Without having to go into my files, let me give you one recent example of a case of an injured worker. The man was unable to go back to his original job, but he had some journalistic skills and on occasion had done contract work with the Windsor Star. The Windsor Star informed the individual that if he took some journalism courses, with his background and his desire to do this, the newspaper would go out of its way to give him a job there as a journalist on a contract basis.

We cannot get him into St. Clair College of Applied Arts and Technology. We cannot get the Workers' Compensation Board to pay for his courses at the college. So what you are telling me is not fitting in with what is really happening. Your broad, general remarks are not helping me and I do not think they are helping the committee at all.

Mr. Darnbrough: If I could appreciate the broad, general remarks, I am trying to corner in on what you are expecting me to respond to.

Mr. Mancini: I want to know if there is a policy at the board.

Mr. Darnbrough: What I am attempting to tell you is that people are eligible for the service of vocational rehabilitation when they have a disability that prevents them from returning to employment. At that time, we employ all the advantages available for them, all the benefits, which include educational upgrading and training and vocational training, if that is required.

It is not required in many cases. That certainly is not the first thing a counsellor and an individual will look at. The first thing they sit down and examine is: "What are my abilities? Where are my strengths? What have I done in the past? If I cannot go back to my regular work I want to get back to some work and I want to earn wages and restore my life as well as I can and as quickly as I can."

Often the people we are dealing with are not the least bit interested in going back to school. In most cases that is the situation. They are not interested in getting back into the academic environment, that is those who are capable of handling it in the first place, and many of them are not, as you can appreciate.

We are looking at training people and offering the availability of training to people who need it. That does not mean everyone who comes to vocational rehabilitation immediately becomes

involved in a training program or starts to look at entering school or a long-range skills upgrading course of some kind. If it becomes necessary, that is something we will become involved in.

Mr. Mancini: What do they look at?

Mr. Darnbrough: They look at the ability of the person—

Mr. Mancini: Give me your typical person out of this 8,000. Run through a scenario for me so we can understand what you are doing for that person.

Mr. Darnbrough: Let us take the example of a 40- to 50-year-old labourer with a back disability, since the majority of our cases who come for vocational rehabilitation are in that category, a person who has not a high level of education, who perhaps has a language problem in that his first language is not English, and whose employer is not able to provide the kind of work he requires.

In consulting with that individual, we have already determined some things, a low educational level and so on. When we start to discuss his future with that person—"What do you want to do? What abilities do you have? What interests do you have? What particular occupation do you think you can handle?"—the co-operation of the injured worker is an extremely important part of this. No rehabilitation counselling program is going to work unless the individual involved wants to participate and co-operate with that program.

In dealing with that individual then we would be looking initially for employment he could handle, some labouring employment with an equivalent or close to equivalent earning capacity if that is possible. We would commence a job search for him and prepare him on how to appear at interviews.

Some of these people have been working for 10 or 15 years and it has been quite a while since they have had to go job hunting. So we have to help them take a look at the market in their community to see what employers there are in the community who have the kind of work they are actually looking for.

We help them write a résumé, if that is going to be the case; we help them prepare it, do some mailings to different companies if that will help get them an interview, encourage them and help them understand the reaction they are going to get when they get to the company. Whether it is by telephone or by personal appointment, they have to be prepared because, particularly in this economic situation in the last two years, there are

going to be some disappointments and we have to attempt to prepare these persons for them.

Mr. Mancini: Your answer so far has been that you are going to help them with the job search, help them with the résumé and give them encouragement. Is that your rehabilitation program?

Mr. Darnbrough: Our job is to place people back into employment. We have this ability to get them there and that is exactly what we would do with the particular case you asked me to set up for you.

Mr. Mancini: You would get that person into some—

Mr. Darnbrough: The first objective is to try to help that person focus on the type of work he is capable of doing and then to find that kind of work somewhere in the community for him.

Mr. Mancini: Just one more and I will let you have a supplementary. Out of the 8,000 we have had this past year, what is your track record for getting these people back to work?

Mr. Darnbrough: I will just get the figures out here for you. The total number of people who came into the rehabilitated closure category in 1983 was 3,981.

Mr. Mancini: So you are running a 50 per cent success rate. Is that a good way to describe it?

Mr. Darnbrough: If you are looking at it in straight time, that is correct. On the other hand, some of these cases carry over from period to period and some take longer than others.

Mr. Mancini: This 3,981 tells a better story and is probably the reason that members of the Legislature receive personal calls, letters and visits. The other 4,000, for some reason, are not getting the jobs or are not being retrained.

Mr. Darnbrough: They are still in the process of being rehabilitated.

Mr. Mancini: Okay. We have gone through 12 months. How long do you expect to carry the other 50 per cent before they are actually given an opportunity for a job somewhere or are retrained?

Mr. Darnbrough: We have no time limit on the length of time we will attempt to help someone become rehabilitated. It can often take years if we are dealing with someone who is as seriously disabled as a paraplegic or a quadriplegic who is still genuinely interested in returning to employment.

If we do become involved in an education, university level or a community college training program, then we can be talking about two or

three years before a person is returned to the occupation he has set out to do and which we have agreed is the right one for him to pursue. On the other hand, we could and we do have cases that take only a matter of less than five or six weeks to place in a job.

Mr. Wiseman: You mentioned that you may call another employer and try to help him get the information and everything he needs because he may have been out of the work force for some time.

I have talked to some employers who are afraid to hire someone with a back problem, even though it is a job he might be able to handle, in case it flares up again and he will be assessed for the second problem. I have had this in one or two cases. One employer talked to the other employer and said, "That is what happened when he worked for me." He did not tell the second employer he had the problem and now the second employer is really stuck with paying the claim. If it had happened at his place, he would not have any qualms about paying it.

When you talk to the new employer, who maybe has a light job, if the back breaks down again is he under any obligation to pay the claim, rather than the first employer, with whom it really started? I just do not understand how it works.

10:30 a.m.

Mr. Darnbrough: This is a message we have been attempting to get across to potential new employers for some time. The message is that we will allow costs to be removed from their record and applied to a second injury and enhancement fund if the individual is reinjured at any time during the course of the training-on-the-job program with the new employer.

For that matter, if a recurrence of disability takes place after the person is fully employed by that company, then the costs of those claims would be charged back to the original claim or to the SIEF. The costs do not appear on that employer's record. It is one of the incentives we have laid out to potential new employers.

Mr. Wiseman: That is good. A lot were afraid of hiring at all once they heard a worker had a back problem.

Mr. Chairman: How does the new employer know that? Does a worker have to say it or does he have a brochure that says, "This is your protection," or that sort of thing?

Mr. Darnbrough: There are several ways in which we have attempted to communicate that message, including meetings with employers

during our blitz campaigns. All of our counselling people, including the employment specialists in the division who are visiting employers on a daily basis, explain this aspect of the incentive program when they visit with employers. We do have brochures that are sent to employers and circulated, so they are aware this condition exists.

Obviously, at least one of you has had some qualms or questions about the extent to which we have been successful.

Mr. Wiseman: I am thinking of a case in which the employee did not tell the second employer and now the second employer is having to pay for whatever happens when the employee has a problem such as that. In talking to his counterpart at the previous place of employment, the second employer finds the worker left employment there because of back problems. He feels it is unfair that he is being assessed when it should have been the first employer.

Mr. Darnbrough: We would be pleased to take a look at that case. As I say, if it fits in with the criteria or the guidelines I have explained to you, then I am sure the costs in that case could be transferred.

Mr. Wiseman: An employer will then be very careful about whom he hires and probably checks everybody to see if they have ever had a back problem or whatever.

Mr. Darnbrough: I think that happens, yes.

Mr. Wiseman: That is too bad.

Mr. Sweeney: On that point, given the fact the second employer is concerned about having his premiums or rating scale affected by the accident and the first employer is no longer the employer, to whom are those costs assessed and where do they show up on your financial statement?

Mr. Darnbrough: I am not the expert on our financial statements. Someone else might handle that better than I can.

Mr. Sweeney: Who is assessed for those costs then?

Mr. Darnbrough: The costs are assigned to the SIEF, which is applied generally to the costs of the schedule 1 employers from the accident fund, so that the costs are spread out generally as opposed to being assigned to one employer and applied to that employer's record for accident frequency and cost purposes.

Mr. Sweeney: Can anyone tell me where that money shows up and approximately the kind of dollars we are talking about?

Hon. Mr. Alexander: Mr. Chairman, we have Bob Reilly here. He is executive director of the financial services division and can be of assistance to us in this regard.

Mr. Reilly: I am sorry, Mr. Sweeney, I do not have that figure in front of me, but it would be included under the benefits figure on page 24, under the \$651 million. The figure is roughly \$40 million for the SIEF. Those costs would be charged to that fund and prorated over all industry.

Mr. Sweeney: Of the total \$651 million you pay out for all purposes, approximate \$40 million is from this one fund where costs are spread over the entire system rather than applied to individual employees?

Mr. Reilly: Yes.

Mr. Mancini: Mr. Sweeney, can I just ask a question? On page 9 of the annual report for 1982, it says the compensation and medical aid costs transferred to SIEF in 1982 total \$107.279 million. In the previous year, the total was nearly \$78 million. That is getting to be quite a high percentage.

Mr. Reilly: The figures on page 9 are for the board's second injury and enhancement fund. It provides financial relief to schedule 1 employers when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of the claims cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and medical aid cost transferred to the second injury enhancement fund in 1982 totalled \$107,279,326. That is the figure.

Mr. Sweeney: So \$107 million out of the total payout of somewhere between \$650 million and \$700 million is about 15 to 16 per cent. It is a very high percentage of your total payout. That means all employers, whether they are in any way involved with that worker, contribute towards that fund.

Mr. Reilly: Yes. They also have the right to participate in the benefits of the fund.

Mr. Sweeney: But at the same time, the financial thrust of the system is designed to allocate cost through increased premiums and rates to those particular segments of the employers that incur those costs. Here you have the entire system bearing that cost, even though some are in no way responsible for it.

Mr. Mancini: I think that shoots down the argument that employers should shy away from

hiring injured workers because it is going to cost them money. It does not cost them anything.

Mr. Sweeney: It also challenges the whole basis of funding the system.

Mr. Reilly: The whole basic principle of schedule 1 is collective liability. That is the foundation stone—

Mr. Sweeney: It is also on a rating scale depending upon the grouping they happen to be in since it is very likely, although I have no figures to prove it, that there are certain groups that are not contributing towards creation of this cost and yet they are paying a share of the cost—and a significant amount; that is roughly about one dollar out of every seven.

Mr. A. G. MacDonald: I think the concern Mr. Sweeney has could be addressed by this comment. When the costs are prorated, they are prorated as a function of the assessment rate. So if you start out with a lower hazard in your rate, the percentage you are going to be charged is less than if you had a high assessment rate.

Mr. Sweeney: I can appreciate that.

Mr. A. G. MacDonald: It is a fact that every industry does get some assistance from the second injury fund. I can recall when the amounts in this fund were as low as \$2 million to \$3 million. That was a number of years ago. It has grown quite considerably as we have realistically looked at pre-existing conditions and tried to address the very real concern that some employers have some sort of unfair burden. There is really no criticism today from employers on having this kind of policy.

I might remind you we have a similar policy as it relates to rate stabilization.

Mr. Sweeney: I will come back to it at some other time. Just leave it for now.

Mr. Mancini: To get back to vocational rehabilitation, I guess we are spending \$107 million a year to get a good number of these injured workers back to work. Under the circumstances, I would say that is money well spent. Our first priority should be to do what we can to give injured workers their dignity and respect back and try to let them make their own living.

I am still quite concerned and I am not happy with the statistics and answers I have received concerning the injured workers who have received a permanent partial pension. We are given statistics that approximately 8,000 required assistance last year and we were able to place fewer than 4,000.

10:40 a.m.

We were told many of these people are unable to go back to school. Many of them are probably unable to do several other things. That in itself, as far as I am concerned, is not a good enough answer. I want to know what policies exist at the board right now to deal with this very serious problem of not being able to get these 4,000 people on a year-to-year basis back to work.

Mr. Darnbrough: It is not a year-to-year carryover. We have 4,000 people in that time frame we talked about.

Mr. Mancini: What time frame was that?

Mr. Darnbrough: The one-year interval we are talking of there, the number of cases that came to the division for services as opposed to the number of cases that were successfully rehabilitated during that interval.

Mr. Mancini: So that I understand it better, what would be the next year's figure? If it is 8,000—

Mr. Darnbrough: I gave you the 1983 figure, not the 1982 figure. I thought that was what you asked for.

Mr. Sweeney: Are they cumulative?

Mr. Mancini: They appear to be cumulative. That is the grand total, period?

Mr. Darnbrough: The number of rehabilitated in 1982 was 3,482. The number increased to 3,981 in 1983.

Mr. Sweeney: So your 8,000 figure is a cumulative figure?

Mr. Darnbrough: The 8,000 figure is the number of new cases that were referred to our division in that particular year.

Mr. Sweeney: New cases referred.

Mr. Darnbrough: That is right.

Mr. Mancini: That is a lot different from cumulative cases.

Mr. Darnbrough: That is correct.

Mr. Wiseman: What would the total be? If half the people were rehabilitated, some of the other half would be carried over. As long as they were trying to rehabilitate themselves would you keep them on full compensation during that time?

Mr. Mancini: No, these people are on permanent partial pension. They are the people getting the 10, 20 and 30 per cent pensions, \$300, \$400, \$500 a month. They are the people who are really, in my view, victims of the system.

Mr. Darnbrough: Maybe I could clarify that a little bit. The people we are dealing with, the

10, 15 and 20 per cent disability people who come to vocational rehabilitation for assistance in returning to employment, are generally receiving supplementary benefits from the claims services division under the section that entitles them to that.

Mr. Mancini: For how long?

Mr. Darnbrough: As long as they are co-operating in a rehabilitation system program, there is no suggestion on my part—

Mr. Wiseman: Does that answer my question then, that they would be getting almost full compensation as long as they were actively trying to upgrade themselves and be placed in another job?

Mr. Darnbrough: That is correct.

Mr. Wiseman: I am not so worried about that then.

Mr. Mancini: That is not how the system is working. How the system is working is that these 4,000 people are not being retrained. They are not able to find new jobs. They are on supplementary benefits for a period of time and then there appears to be a board policy that after so many months their supplementary benefits are cut off.

Once you receive case after case after case in which the procedure seems to be the same, you have to feel that is generally the board policy. You cannot sit there and tell me these 4,000 people are all getting that much assistance from the board.

Mr. Darnbrough: What I have to tell you is that as long as people are co-operating with the rehabilitation program and are receiving a pension or payment of some kind, they are eligible to have that payment supplemented to full compensation level. That takes place. The majority of people we are dealing with from the vocational rehabilitation aspect are receiving full compensation when we are dealing with them.

Mr. Mancini: Are you telling me that of the 4,000 people we are talking about, the 4,000 injured workers who have not been placed back to work will be able to get supplementary benefits indefinitely for years, if they meet with your counsellors, if there is a job interview and they go, and if you ask them to come to Toronto for a medical review and they do it? Are you trying to tell me they will be able to get supplementary benefits for years?

Mr. Darnbrough: I am telling you there is no time limit, so the answer is yes. They will either receive supplementary benefits because they are entitled to them under that section of the act, or

they will receive supplementary benefits from the vocational rehabilitation division while they are on the training program, which in either case brings them up to the full compensation level.

Mr. Mancini: I would like to see your statistics on how long you actually keep these people on full supplementary benefits.

Mr. Wiseman: I think the gentleman answered, to my satisfaction anyway. There are some people, Mr. Mancini, as you know and I know, who really do not have the attitude that they want to find another job, that they want to go to school, that they want to do this and that. Some of them may have to be cut off.

I think it is unfair to ask if all 4,000 will continue on, because we know there are some—at least I am not naive enough to think there are not some who do not want to improve themselves, and as long as they can get 70 per cent for the rest of their lives, they probably would be content to do that. Yet there are a lot who will work their behinds off to try to get back.

Mr. Sweeney: One per cent?

Mr. Wiseman: I did not put a percentage on it, but there are some—

Mr. Mancini: You would agree with me that probably the majority of the 4,000 would want to get back to work?

Mr. Wiseman: No.

Mr. Mancini: You are talking about the majority?

Mr. Wiseman: I am being realistic. In my own riding there are many of them whom, if I were in these guys' shoes, I think I might have cut off before this.

Mr. Mancini: That is exactly the mentality of the board.

Mr. Wiseman: No, it is not.

Mr. Mancini: It is the mentality.

Mr. Wiseman: I met a fellow coming into an office one day—

Mr. Mancini: We have 4,000 people—

Mr. Chairman: Order, please.

Mr. Gillies: Mr. Chairman, I wonder if, for clarification, I could ask Mr. Darnbrough to run over those placement figures for 1981, 1982 and 1983 again. I heard 1982 and 1983.

Mr. Darnbrough: The 1982 figure for total rehabilitated was 3,482. The 1983 figure was 3,981.

Mr. Gillies: To the best of your recollection, was the 1982 figure an improvement over 1981?

Mr. Darnbrough: The 1982 figure is definitely an improvement over the—oh, excuse me. You said 1981, did you not?

Mr. Gillies: Yes, if you have it.

Mr. Darnbrough: The 1982 figure was less by six per cent than the 1981 figure, which was 3,713.

Mr. Gillies: That does not surprise me. Frankly, I was surprised that your placements had improved in 1983 over 1982. I would have thought you would have had a much more difficult situation placing rehabilitated injured workers in 1983 because of the recession.

Mr. Sweeney: All the economic trends went up in 1983, every one of them.

Mr. Chairman: Yes, but still it was difficult for people to find jobs.

Mr. Darnbrough: Not through the latter part of that year, sir.

Mr. Chairman: Mr. Gillies is on the point I was going to try to get to as well. Going back to 1981, what was the percentage of those who returned to the work force in relation to the number who were on benefits? Is the 8,000 figure approximate for every year?

Mr. Darnbrough: That is right, and I think that is causing us some difficulty. If I give you the statistics by way of total annual numbers it may be some help.

The total number of cases referred to us for assistance in 1981 was 6,545; the total number of people rehabilitated during that same interval was 3,713. If we move up to 1982, the total number referred to us for service increased to 7,656; the number rehabilitated declined to 3,482. When we move up to 1983, the number of cases referred to us was higher at 8,126; the number of people rehabilitated was 14 per cent higher at 3,981.

Mr. Laughren: How many people went on welfare?

Mr. Darnbrough: I have no idea how many people went on welfare.

Mr. Laughren: That is part of your problem; you have never known that.

Mr. Gillies: It is significantly worse in 1982, though; that does not surprise me in the least. My guess would be—and I think Mr. Laughren has a very good question—although you may not have the welfare figure, but I bet it skyrocketed in 1982. It certainly would have in my community. That pattern does not surprise me in the least; 1982 would have been a very difficult year for an injured worker to get back into the market.

10:50 a.m.

Mr. Darnbrough: When we looked at the unemployment figures in the province in 1982, when we visited the various communities with our blitz campaigns, we did not retract, we did not hide; we still went out there and knocked on employers' doors. We went to some areas in the north where we were looking at reported unemployment as high as 40 per cent in particular cities. We still tried to do what we could to find jobs for these people. The communities were not entirely receptive in some cases.

The situation changed considerably in 1983, as far as the unemployment record is concerned. I think we met with the success which goes along with that improvement, and with the continuation of our efforts, visiting employers and telling them about the package, and finding job opportunities.

Mr. Laughren: It all sounds very nice until you start probing a little. If you really have rehabilitation of the worker at heart here, rather than the balance sheet of the board, then you would know about those welfare numbers. You would understand what happens when a person on a partial disability pension cannot survive on it and ends up on welfare, because of that partial disability.

Mr. Darnbrough: I think the question is the extent to which the disability is the factor that places people in a category where they have to seek other avenues of income.

Mr. Laughren: Exactly.

Mr. Darnbrough: In the north a partial disability may not have prevented someone from returning to employment in years gone by, and in fact they were in a position to enjoy both their salary and the pension from the board.

Mr. Laughren: Right.

Mr. Darnbrough: It changed when the employment opportunities diminished in the north and the person became unemployed. They came back to the board to say: "I have a partial disability. I am not unemployed principally because of this disability, but I have one. So kindly help me."

Mr. Laughren: Well, you can bring your own colour to that one.

Mr. Darnbrough: The rehabilitation services in many of those cases were reinstated and the people went back on the compensation benefits. What I am suggesting here is that a lot of people did not come back to the board, appreciated that their condition was not the main cause for their unemployment, and sought other avenues, in-

cluding unemployment insurance and whatever else was available.

Mr. Laughren: You have very conveniently dealt with that group of people. I am asking you to deal with the group whose partial disability is a factor, particularly in the north, although I would not confine it to that because mining and forestry work is a lot of manual labour. There is an enormous number of people with small disabilities who cannot find any employment at all because of it. That is where the board falls flat on its face and you do not even count the numbers of people who have partial disabilities and who have to seek assistance through the public sector. That is where your system falls apart and where your claim that you are caring for workers does not hold water with many of us.

Mr. Mancini: Now that we have the figures for 1981, 1982 and 1983, we can see there is a constant carryover of nearly 50 per cent of injured workers who are on permanent partial pension, who are unable to get back in the work force or who have not successfully been re-trained.

I am still concerned with the board's opinion that these people receive supplementary payments on an ongoing basis, making it sound as if these people can continue these supplementary payments for years. I know that is not the case. I want to have statistics as to the average length of supplementary payments to this group of individuals about whom we are talking.

Mr. Darnbrough: Supplementary payments are not controlled by vocational rehabilitation, so I do not have those figures available to me. I do not think they would be available at the present time.

Mr. Van Clieaf: Supplementary payments are considered under the permanent disability section of the act. There is one qualifying statement that I should make as it relates to supplements. They will be granted where an impairment of earnings capacity is significantly greater than one would expect for the nature and degree of injury.

Mr. Mancini: This is slightly different from what we have already been told. Is that not a little bit—

Mr. Van Clieaf: I am qualifying that now.

Mr. Darnbrough: Excuse me. When you were speaking to me, you were talking about the rate of compensation being paid. While Mr. Van Clieaf is now describing his supplementary payment under this particular section of the act, referring to it as significantly greater, there are also payments that can be made when someone is

engaged strictly in a vocational rehabilitation program. They are different types of payments that accomplish the same thing, and that is that the person remains in receipt of the actual compensation benefits.

Mr. Mancini: Under what section of the act do you grant the payments?

Mr. Darnbrough: These are made under section 54 of the act, which are rehabilitation payments when someone is engaged in a rehabilitation program or training program.

Mr. Mancini: You are talking about section 54 and we are talking about subsection 43(5).

Mr. Van Clieaf: What that "significantly greater" really means is that for the injured worker who cannot return to the pre-accident job or a job of comparable income because of the disability, we look at more than the disability. We will consider other factors; the whole person concept. We will look at the educational skills of the worker, the locality to a degree; and other factors such as age, skills, language problems and that sort of thing.

In 1982, we granted 3,495 temporary supplement awards.

Mr. Mancini: Those were to individuals on permanent-partial disability?

Mr. Van Clieaf: Yes, each of these workers would have had a permanent-partial disability.

Mr. Mancini: How long do these temporary supplements usually last?

Mr. Van Clieaf: In 1982, the supplements that were granted were originally awarded for a six-month period. During that period the worker was normally active in a medical or vocational rehabilitation program, and the supplement is designed to assist the worker financially while he is trying to get back to suitable modified work.

The supplements can be paid routinely in two ways. You can award what we call a full supplement whereby you take the degree of permanent partial disability, say it is 20 per cent, and if you awarded a full supplement it would be for 80 per cent. In reality you are bringing the worker up to the equivalent of permanent total disability for the period you are granting the supplement.

The other type of supplement you could have would be a wage loss supplement where the worker has returned to suitable work at reduced earnings in comparison to the pre-accident earnings.

So you have those two types of supplements. You have the worker actively involved with vocational rehabilitation; and that worker, for the

continuance of the supplement to apply, must be co-operating in the program that is being offered. The worker must be available for work if such work is found. While the award is granted for six months, it is and was routinely subject to review at the end of that six months. We would obtain up-to-date reports on the program the worker was involved in, and if there was a reasonable expectation of successful rehabilitation, that supplement would be extended for an additional six months.

Mr. Mancini: If there was reasonable expectation of rehabilitation?

Mr. Van Clieaf: Yes, successful rehabilitation.

Mr. Mancini: How can we expect that when 4,000 people a year are not being placed? I will tell you what is routine. What is routine is that the individuals under permanent partial pension are given these supplements and then, after six months, they are sent a letter saying their supplements are being cut in half. Then there is an appeal process. That is what is routine as far as I am concerned.

I just do not know how these temporary supplements can work in this manner when we cannot place these people back to work, we cannot educationally rehabilitate them as far as what is being told to us, and on a six-month basis you are going to give them temporary supplements. If you send them out to look for jobs, they will do that.

11 a.m.

Let us consider one area of the province, Lanark, for example. There are only so many employers in Lanark. After an injured worker has visited those employers in that first six-month period in trying to co-operate with the board, the supplements are then reviewed; they could be cut off or they could be extended. If they are extended, he has to revisit the employers in Lanark again; so he does this again for another six-month period. Then we are into the third possible extension.

This is just not working out properly. I just do not know how we can expect the injured workers to continue to visit the same employers every six months.

Mr. Darnbrough: To answer the latter part of your question on employment opportunities, we realize as well that in some isolated, limited industrial communities the opportunities—

Mr. Mancini: Windsor is not an isolated community, and it happens in Windsor all the time.

Mr. Darnbrough: It certainly is not, and I do not think the problem I am speaking about is as apparent in Windsor as it is in some of the smaller communities in the province.

But when both the counsellor and the injured worker have come to the conclusion that there is no employment in this community, that there is unlikely to be any employment in this community that the injured person will be capable of handling because of his disability and because of his previous experience and background, then we have to get into the other aspects of vocational rehabilitation that I mentioned earlier. What is the potential for training? What is the potential for relocating to another part of the province? What is the potential for, if not educational training, then skills training? Can we get into something like that?

In this instance, of course, the person remains on benefits, participates in that training program and continues to collect full compensation while we are doing it. It is not a question of cutting people off and reducing their compensation payments because there do not happen to be any job opportunities available in that community.

Mr. Laughren: Oh, boy.

Mr. Mancini: Excuse me, but I—

Mr. Van Clieaf: Mr. Mancini, I might add that we have since changed the duration of supplement in 1983. They are now awarded for a one-year period, subject to review thereafter.

Mr. Mancini: Thank you. That is a little better.

Mr. Laughren: May I ask a supplementary?

The Acting Chairman (Mr. McLean): Yes, sure.

Mr. Laughren: This is, I think, an easy question to answer. When a person moves from total temporary to partial disability plus supplement, how do you justify that worker's income being reduced by up to \$300 a month?

Mr. Van Clieaf: The justification for it lies in the act itself, because under the provisions of section 43 we are required to use the worker's average earnings for one year before the accident to set the permanent disability earnings rate. For temporary disability we do not have that restriction to one year, so we can look at a shorter period of employment; usually the average over four weeks will suffice.

Mr. Laughren: Oh, right.

Mr. Van Clieaf: You are right; that can happen.

Mr. Laughren: And the four weeks is not in the act, am I right?

Mr. Van Clieaf: The four weeks is not spelled out as such in the act.

Mr. Laughren: It is not in; that is correct. This is what drives me bananas with the way the board interprets the act to suit its own purposes. The four weeks is not in the act, and yet you will use the four weeks when computing the total temporary for someone who does not have four weeks of actual employment on which to base his earnings when he gets injured.

That is when you use the four weeks; you will not use the year, which is in the act. You have created this four weeks, as I see it, to suit the purposes of the board, not the injured workers.

Mr. Van Clieaf: If the worker has been with the employer for less than four weeks—let us say for one day—we would take his daily rate times the normal number of days he would work in that week and set it on that; if he was with him for, say, 12 days we would take actual earnings over the 12 days and calculate average earnings. The four-week period is used because in the great majority of cases it gives you a reasonable average. If it does not, we will look at one year in any case on request from the worker.

Mr. Laughren: Okay, tell me this. Suppose you have a construction worker who perhaps has earned a good buck when he was on construction and, because of the seasonal nature of the work, he is off for maybe six months. He goes back to work, works two days and gets injured. On what do you base his earnings?

Mr. Van Clieaf: In that specific example, if the worker had a break of employment for three months or more and then returned to work, we would take the earnings from the time of the return to the date of injury.

Mr. Laughren: Two days.

Mr. Van Clieaf: If that was the case in the example you cited, yes.

Mr. Laughren: You would base it on a very low rate, then.

Mr. Van Clieaf: No, we would take the two days. Let us say he earned \$100 a day and he had been hired to work five days a week; it would be set at \$500.

Mr. Laughren: Good. What about a worker who comes back, works a week, is off a week and works a week? This is a specific example I am thinking of, as a matter of fact. The person worked two weeks out of the month and then was injured. What would you base his earnings on?

Mr. Van Clieaf: In that instance, our practices for allowances for lost time in the pre-accident period are such that we will not allow for lack of work. If there were no three-month breaks in the period, we would take average earnings over the 12 months or 52 weeks. In that case, his earnings basis would be set on total earnings in the two weeks, divided by four weeks.

Mr. Laughren: Exactly. You tell me it is fair, when a worker is making \$500 a week—clearly that is the worker's rate, \$500 a week—and works two out of the four weeks and gets injured, and would be continuing to work if it were not for the injury, that you base that worker's income on \$1,000 divided by four. Do you think that is fair?

Mr. Van Clieaf: The act—

Mr. Laughren: It is not the act. The act does not tell you to do that; you interpret it that way.

Mr. Van Clieaf: Taking the act in total, we have always looked at earnings prior to the accident as opposed to potential earnings after the accident. I appreciate what you are saying, but if the worker was working a week, off a week, working a week, then had the injury, if the worker had not had the injury, the average would have been the \$250.

Mr. Laughren: No, if the worker had not had the injury, he would be continuing to earn \$500 a week for the foreseeable future. You have decided in your infinite wisdom that no, he is not, he is only earning \$250 a week. The rate is \$500 a week and the job is ongoing.

Mr. Van Clieaf: We are basing the calculation of average earnings on what happened prior to the injury.

Mr. Laughren: Right, I know what you are basing it on; but do you not understand that if there were no injury the worker would be continuing at \$500 a week on that job?

Mr. Wildman: For the weeks he worked.

Mr. Laughren: No, I am talking about a situation where a person earns \$500 a week. He misses two weeks in a month after he has gone back to work. If he continues to work, with no injury, the employer says: "We are continuing to operate this job and we are going to be doing so for the next year or so. We have these interruptions out of the way and it is clear sailing now." That worker is clearly losing \$500 a week from then on. Yet you are deciding he is only losing \$250 a week because he had only worked two weeks out of the four. Do you follow me?

Mr. Van Clieaf: Yes.

Mr. Laughren: Okay. That is what I am saying is not fair.

Mr. Van Clieaf: I appreciate the statement you are making. I am saying that our direction, in accordance with the provisions—

Mr. Laughren: Not the act.

Mr. Van Clieaf: The act directs us to use earnings prior to the injury.

Mr. Laughren: But it does not direct you—

The Acting Chairman: Mr. Laughren, you asked for a supplementary.

Mr. Laughren: I am still trying to get an answer.

The Acting Chairman: I know, but we have been nearly 10 minutes on your supplementary and Mr. Sweeney has a supplementary.

Mr. Laughren: It is a supplementary, Mr. Chairman.

The Acting Chairman: Mr. Mancini has the floor.

Mr. Laughren: I do not hear Mr. Mancini objecting, because I think he has probably run into this problem too.

The Acting Chairman: He is not the chairman of the committee. Continue with your supplementary and shorten it.

Mr. Laughren: Thank you. The act does not say you have to use four weeks. If it is there, show it to me. I cannot find it.

Mr. Van Clieaf: The act does not say you have to use four weeks.

Mr. Laughren: Right, so it is your interpretation.

Mr. Van Clieaf: As I mentioned to you, we will gladly go back and look at the longer period, if that is to the worker's benefit.

Mr. Laughren: Okay, but that was not the initial decision of the board in the case I am thinking of.

My final supplementary has to do with the whole question of older workers who go on supplementary. There was a time when a worker at 60 was put on supplementary and he could carry on until he was 65 on supplementary because of obvious problems. Why are you not doing that any more?

11:10 a.m.

Mr. Van Clieaf: That was changed in June 1983. It was changed because there was some concern it could be discriminatory for older workers. We took the view that age 60 was a reasonable qualifier for that, but by the same

token you were hard pressed to look at the worker of 55 or 56 under those criteria.

While we stopped issuing new awards on that basis, certainly if older workers met the fundamental criterion of impairment that was significantly greater, they were granted the equivalent of a full supplement under the normal term of one year and review thereafter.

Mr. Laughren: The board never ceases to amaze me the way it can invoke human rights to reduce supplements to older workers. That is a bizarre explanation. Because you are worried that someone of 59 might not get it, you do not want to give to someone of 60.

Mr. Van Clieaf: In fairness, I do not think we have reduced the number of supplements by making that change.

Mr. Laughren: Really?

Mr. Van Clieaf: Yes. The number of initial new supplements was up by about 1,000 in 1983 compared to 1982.

Mr. Laughren: How about workers between the ages of 60 and 65?

Mr. Van Clieaf: I cannot break it out for you that way.

Mr. Laughren: I am sorry to take so long. Thank you.

Mr. Shymko: Following Mr. Laughren's comments on older workers, I had one case of an older worker very close to the age of what we call early retirement. I wonder whether you have a subliminal pressure or a policy to counsel an individual who is on partial permanent disability to take early retirement. Before 1983 when this change was instituted, such a worker would have been receiving that supplement from the age of 60 to 65. The worker agrees voluntarily to take early retirement. He tabulates the income he will have from the Canada pension plan and whatever other source. He would pretty well be able to survive. Then the supplement is cut off while he is still waiting for the procedure of early retirement to be completed and the other paperwork to be done. He is left hanging—in the case of this individual, for almost half a year with the supplement cut off—after the urging of your counsellors that he take early retirement.

Would it not make sense that, after counselling the individual to take early retirement, you not cut his supplement until the procedure has been completed and he has finally been accepted and is receiving some payment for early retirement?

I do not know whether this is a policy that has been established and your counsellors are advised to proceed in this manner. I find it

unusual that you would place an individual in the predicament of being cut off automatically and left hanging in limbo for a period of six, seven or eight months before the early retirement income is finally initiated.

Mr. Darnbrough: I certainly agree, but what you are saying is not something you would expect to happen under normal circumstances and I would hope it does not happen under normal circumstances.

I want to pick up on one thing, that we counsel someone to take early retirement. Early retirement is a decision of the injured person; it is a decision the injured worker must make. It is not a decision a counsellor can or should attempt to influence strongly one way or another. The counsellor's role at the time someone decides early retirement is the way to go and he will not be returning to employment is to help that person to gain every possible entitlement he can in order to reach some form of financial self-sufficiency.

I agree that if the person on a disability pension decides to apply for CPP, if you like, in addition to compensation pension, until he receives those benefits from CPP it is the practice not to reduce the supplementary payment.

I appreciate what you are saying about that case; I would hope it does not happen frequently. Certainly, if it requires correction, we would be pleased to look at it.

Mr. Shymko: I certainly hope this would not be a policy. I know you would provide the options to the individual injured worker, but from that particular case it looked like a subliminal form of pressure. It was constantly repeated to him that he make the decision. It was slightly less—definitely less—than he would have received as a supplement, so he obviously would have preferred that to early retirement, a difference of about \$200 in this case. He eventually accepted it.

I am glad you mentioned that one should not place the individual in a catch-22 situation or in limbo, if that term could be used, so he is victimized as a result of the options given. Because of that change of policy—you did not mention any statistics, but you have growing numbers of older workers who are caught in a desperate situation because of the economy and the problems of finding a job.

If you have this policy of options you should look seriously at the advice given by your counsellors so this is not perpetuated in greater numbers. That concerns me a great deal.

Mr. Sweeney: I have basically two points of clarification, Mr. Chairman.

Under subsection 43(5) you pointed out that there is that qualifying statement of "impairment degree significantly greater than would be expected." What criteria do you use to arrive at that? In other words, how do you tell?

Mr. Van Clieaf: Sometimes it will be obvious. If a worker has, say, a 30 per cent permanent disability with a back injury and he was employed as a steel rigger, as an adjudicator I do not think I need a medical opinion to help me conclude that it is unreasonable for him to return to that job. You will have varying degrees as to whether the worker could return to the pre-accident job.

The pension adjudicators have the worker's own opinion concerning that. They have the attitude of the employer, if they think it can be of use, and they can have medical advice. Beyond that, if it is a case where there might be some dispute, they could use the assistance of a vocational rehabilitation counsellor to go out and evaluate the job, evaluate the worker's condition and, again with the assistance of medical advice, determine whether or not it is reasonable for the worker to return to work.

Mr. Sweeney: The degree of impairment, then, relates to a specific job? It is not the degree of impairment with respect to the injury itself? There has to be that causal relationship?

Mr. Van Clieaf: That is correct.

Mr. Sweeney: That is the basis upon which that decision is made.

Mr. Van Clieaf: You could have an impairment that was maybe five or 10 per cent, but depending upon the pre-accident job the worker could not return.

Mr. Sweeney: The relationship to the specific job is what I was looking for.

My second point of clarification comes back to the numbers you gave to Mr. Gillies with respect to 1981-82-83. As a rough approximation, the figures you gave of new cases reported and "those people rehabilitated" would be roughly about half. The figures, I think, were 3,000 and something, 3,000 and something and, roughly, 4,000. It is about half.

What do you mean by "rehabilitated"? You said earlier that helping an injured worker to understand other kinds of work that he or she might be able to do, helping them to apply for a job, is a form of rehabilitation. In other words, there is no necessary re-education or retraining involved, in the broad sense of the word. If they get back on a job, that would qualify for your

definition of "rehabilitated." Am I right or wrong?

Mr. Darnbrough: The first objective of the division is to help the individual return to employment. Rehabilitation is complete when that person returns to employment with an earnings potential.

There is another category of "rehabilitated" from our service perspective. People whose disabilities will not allow them to return to employment, people who make the decision that they cannot under any circumstance return to employment, need to be counselled, need to be cared for and need to be assisted to reach financial self-sufficiency.

11:20 a.m.

In those very serious, 100 per cent clinical disability rating cases and others with equal types of serious disabilities, the counsellor's role is to assist that person to reach financial independence and self-sufficiency, if we can. If that is accomplished, to us it is an aspect of rehabilitation counselling.

Mr. Gillies: This might be helpful for Mr. Sweeney. Could you clarify: is someone counted as successfully placed immediately upon returning to employment, or does there have to be a durable relationship of some days or weeks to establish that the individual is successfully back in the work force?

Mr. Darnbrough: These are cases where the person has entered into a permanent employment situation with the employer.

Mr. Sweeney: Mr. Gillies has touched upon the point I am really reaching for. If there has been no re-education and no retraining involved, but you still define them as being rehabilitated because they are back on the job, do you have any statistics or data that would indicate how many of them do stay on the job as opposed to those who are back three, four or five months later, whatever the case may be, having been unable to hold that job? Are the latter still part of your "rehabilitated statistics"?

Mr. Darnbrough: There is a way in which I may be able to address this question for you. As a common practice, we do not follow up six months, eight months or a year or two years after someone has been placed in employment and recorded as rehabilitated. However, before any case is closed, rehabilitated or otherwise, injured workers are totally informed of their rights under the act and their rights to rehabilitation services; namely, that they can return to vocational

rehabilitation for additional assistance whenever that is necessary.

If the disability, after six months of employment, causes unemployment again, then rehabilitation services can be reinstated. The person can come back on program and get assistance again until re-employment starts. I think it is necessary to understand that aspect in order to get an appreciation of why it has not been the practice in the past to follow up a year or two years or three years after someone has become employed.

If I can go back for a moment to explain: when we place someone in employment, if it is a direct placement into employment of the kind you are suggesting, the counsellor continues, for a period of four to six weeks afterwards, to follow up, to contact the employer, to contact the injured worker, to make sure things are working out all right and the wages are in place—that it is, in fact, permanent employment of some kind and no difficulties are being experienced.

If that takes place at the end of the six weeks, then for our statistical record purposes that person is rehabilitated in employment. All the preliminary work has been done, we have maximized that person's earnings potential in arriving at the placement to start with.

However, if the placement involves an assessment period during which the board pays the salary of the employee while the employer and the employee adjust to one another and decide whether there is a potential for permanent employment, this rehab service continues. We follow up during that assessment period, which could run five or six weeks.

After the assessment period, if the employee enters into a training-on-the-job program with the employer, after they have looked at one another and said, "Yes, there is potential here; let us get into a full-scale training program," throughout that training program, which could run for as long as a year, 52 weeks, the rehab process continues to follow up. Is everything all right with the employer? How is the training going? What is the potential here for turning this person into a permanent employee at the end of the training program?

Having gone through a five- or six-week assessment period with counsellor follow-up, another one-year training program with counsellor follow-up and the employer and the worker saying, "This is good, we are starting work on January 1;" six weeks later the counsellor will go back again and confirm with the worker and the employer that everything is in order. In that case

we could be looking at a follow-up after placement with an employer for more than a year as the point when we actually close the case and record the person as rehabilitated.

Mr. Sweeney: But without re-education or retraining components, at the end of six weeks you effectively have defined him or her as being rehabilitated?

Mr. Darnbrough: We have done that, yes, indeed. The person is employed, with earnings and a permanent job, having maximized the recovery from the injury; he or she is recorded as employed.

Mr. Sweeney: I gather from what you said earlier you do not have statistics to indicate how many of the 3,600 actually may have come off the job before the end of the year and be on your rehab rolls again.

Mr. Darnbrough: No, I do not.

Mr. Laughren: Can I have a point of clarification on behalf of Mr. Darnbrough? I would not want anyone to accuse you of misleading the committee or of not knowing what is going on with counsellors out there, because I will tell you something. The counsellors are counselling people to take early retirement and to apply for Canada pension. If you do not want that to continue, you had better make it clear to them, because I want to tell you it is going on.

Mr. Darnbrough: Counsellors are counselling people to apply for Canada pension. I did not imply we were not doing that. What I suggested was that I consider it the counsellor's responsibility to ensure the injured workers are totally aware of every social benefit that is available to them and that they fully understand the economics of the decision they make not to return to the work place. We are not counselling people to leave the employment market and go on other benefits—

Mr. Laughren: Yes, you are.

Mr. Darnbrough: —unless they have made the decision because of their disability, the employment scene, their age, education, skills or whatever make employment impossible. In those cases, we will counsel people. We feel obliged to do that.

Mr. Chairman: Does the member for Essex South still have more questions? I wonder if you could help guide the committee by telling us how much longer you are going to be, so other members can have an opportunity to speak.

Mr. Mancini: Does the member for Nickel Belt have a lot of questions?

Mr. Laughren: I have some questions, but go ahead.

Mr. Chairman: We have this afternoon and tomorrow, and we would like to try to move around a little bit if we possibly can.

Mr. Mancini: I have one more main question. I just want to leave the rehabilitation question by saying that through my own experience I am not happy with the rehabilitation procedures, nor with the success rates. Through my own experience I am not very happy with the enthusiasm of the board to restrain some people educationally, because there are a lot of young people out there who have been injured, and they do want to go to community colleges and they do want to improve themselves and prepare themselves for the next 30 or 40 years of work. I think we have some real problems there.

Leaving the rehabilitation problem, I want to question the staff and possibly the chairman concerning the problems being encountered in the farm community. I was wondering if we had any statistics on the accident rate in the farm community. Leaving the rehabilitation problem, I want to question the staff and possibly the chairman concerning the problems being encountered in the farm community. I was wondering if we had any statistics on the accident rate in the farm community.

Most Ontario farms are family farms, where the husband and wife and family members actually operate the farm. Every member of that family is an important part of that small business or that operation of ensuring the farm is successful. It is quite difficult, even under normal situations, to make the farm successful and even more difficult when an important member of the farm operation is injured.

Could I have some statistics as to the number of farm injuries we have had; is there an increase in farm injuries?

Hon. Mr. Alexander: I do not think we have at this time the statistical information you request, but we will certainly follow that through for you and probably have it this afternoon. If not this afternoon, we will have it first thing in the morning. Are there any other questions with respect to farm—

Mr. Mancini: Yes. That question was going to lead to my assumption that the rehabilitation facilities available to the people in the farm community are probably less than those available to people in the industrial sector. Am I correct in assuming that?

Hon. Mr. Alexander: Why would you say that, Mr. Mancini?

Mr. Mancini: Because when you take a person from an industrial environment, it would appear to be easier to place that person in a similar environment, but when you take someone from a farm environment and try to place him in a different environment, industrial, retail or what have you, it probably would be different and a different type of counselling would be needed.

11:30 a.m.

Hon. Mr. Alexander: I would say the initiatives taken by rehab would not be any less, but I would say perhaps it could be more difficult because he is coming from another community.

Mr. Darnbrough, I do not think there is any difference between the approach taken by rehab vis-a-vis one from a rural community as compared to one from an industrial community. It may be more difficult because of that particular community and the limitations that are there.

Art, are you able to answer that question?

Mr. Darnbrough: I think you have captured the essence of the response and the situation.

Mr. Wiseman: May I just ask something? Mr. Mancini has mentioned the farm being a family affair. Is it possible just to lump all the wages in there under the workers' compensation so it would cover the family, or do you have to have it on an individual basis with each individual covered?

Hon. Mr. Alexander: I guess I will start off, and somebody will follow through with it.

The farmer per se is not covered and his wife is not covered, but they can opt into the system. The children, if they are true employees—in other words, if it is not a sort of coverup operation—can be covered as employees. But with regard to having a blanket assessment, if you will, that has never been envisaged by the board up to this time. I think what we have now is just what I described.

Mr. Wiseman: It is difficult when everyone works around the farm at one time or another. Even my son who works away from the farm comes home and helps a bit, and he could be hurt; even though that is not his main job, he does help his dad once in a while with the cattle. I just wondered if it was based on so many thousand dollars of wages, a blanket amount for the family.

Mr. Laughren: You do the shovelling, do you, Doug?

Mr. Wiseman: I spread a lot of it.

Hon. Mr. Alexander: What we have to distinguish here is whether the child is an employee. I think we are prepared to recognize

the child as an employee so he will get the benefit of the act if they can show a true employer-employee relationship; in other words, it has to be not in kind but rather a stated wage.

Mr. Wiseman: The assessment rate on farms, by the way, has gone way up in the last while, in my experience, and there must be a lot of injuries to cause that. But I just thought that if there were something for a family farm, where you may be attending school but helping around the farm or something minor beyond that, \$10,000 could be taken out on that basis or something to cover those people for—

Hon. Mr. Alexander: There was always the opting-in provision as well, Doug, so they are not quite left out in the cold.

Mr. Riddell: Just for clarification, when you say "opting in," do you mean that a farmer can opt in for his employees; or can he be covered by compensation himself?

Hon. Mr. Alexander: No, an employee is truly covered. The farmer himself is not covered but he can opt in to be covered.

Mr. Mancini: An employee is automatically covered.

Mr. Wiseman: Maybe what I am asking for is not a simple thing to do—

Hon. Mr. Alexander: Some relief with respect to the family farm.

Mr. Wiseman: Yes.

Hon. Mr. Alexander: I do not know whether that has ever been considered.

Mr. A. G. MacDonald: Essentially, the farmer-operators, the Ma and Pa farmers, can select the rate of coverage for themselves. They apply in the same way as an executive officer or any other employer under the act might apply to cover himself. They control the rate at which they are covered by their application.

What cannot be controlled is what the rate will be for a true employee. As the chairman has indicated, there are problems in distinguishing those relationships when you get to the children who may be under age 16 and who are just getting some sort of allowance. These cases can become difficult. We endeavour to cover every person who is employed and is paid something for that, to the best of our ability, but there are difficulties in getting the rate of cover for employees—not for the husband and wife; they can select their rate of cover.

Mr. Wiseman: It was just the occasional help from the family that I was worried about. They could be hurt because of all the machinery around

a farm today, and that injury could carry over and affect their earning power in whatever they go into for the rest of their lives.

Hon. Mr. Alexander: The act speaks for itself in terms of the definition of an employee. I think a farmer would be well advised to see to it that his offspring help is in fact truly an employee, because if not then he is going to run into difficulty.

Mr. Mancini: I am not sure if that could ever be done, Mr. Chairman.

Hon. Mr. Alexander: It can be done in this respect. In other words, what you have to set up is a true employer/employee relationship. All that says is there should be a stated wage rather than, say, an allowance, books to go to school or lunch money. If you follow my point—

Mr. Mancini: Yes, I follow your point.

Hon. Mr. Alexander: It would have to be an arm's-length situation. He is either an employee or he is not an employee. I do not know where there is a difficulty.

Mr. Mancini: But I can see the situation in a family farm operation where someone might have a tractor tip over or some other type of accident. Even if they did have an employer/employee relationship, in no way could the owner of the farm pay his offspring a sufficient amount of money to make whatever compensable benefits that would accrue to him more than minuscule.

Hon. Mr. Alexander: I think what you are saying is that the farmer, because of the hard times, cannot pay a good living wage.

Mr. Mancini: No. I am saying the farmer cannot set up a true employer/employee relationship with the offspring because there is no way the farmer can pay \$20,000 a year to his three or four children. We are asking him to create an employer/employee relationship if they truly want to be covered, but in reality that is not possible.

Mr. A. G. MacDonald: There is another option available to him. He could create a partnership including everyone and select the rate of coverage for everyone. These kinds of things are explained to the farmers when the auditors visit them. So there is another way of doing it.

Mr. Mancini: What would happen to a farm owner who was injured on the farm and was assessed a pension—15, 20, 25 or 30 per cent? Let us say the individual owned the farm, which had been in the family for a couple of generations,

and possibly had a large mortgage so it was necessary to farm it; that person would have to stay on the farm and kind of be the manager even if he had to bring in farm help because of his injury.

I am not so sure rehabilitation would be the answer to this, because that person would not want to leave the farm. His life would be the farm. Would that individual, who had been assessed a permanent partial pension, continue to receive a full supplement? There is no policy on that?

Mr. Darnbrough: I do not think a supplement is payable under the circumstances in that case, but there may be an exception that Mr. Van Clieaf would like to express.

Mr. Van Clieaf: If the farmer decided to stay on the farm in the case you have described and had opted for the personal coverage rate—it is not an audited-amount type of thing—with a self-employed person staying on the farm, normally a supplement would not be paid. There might be certain circumstances that you would look at in the individual case, but generally with the self-employed person who has opted in under personal coverage, where he chooses to stay on the farm a supplement would not be paid.

Mr. Mancini: Why would we treat farmers differently from industrial workers? They are workers, too. Just because they are working on the land and they have to stay there to manage the land, that does not make their contribution any less.

11:40 a.m.

Mr. Van Clieaf: I am not saying we would treat them any differently. We would certainly be prepared to review the circumstances of the farmer in that situation applying for a supplement under those conditions. I am just saying he would be awarded his permanent disability benefit based upon the clinical degree of impairment as assessed for permanent disability. We would be prepared to look at it, but I could not sit here and say I am aware of many cases where we would entertain a supplement under those circumstances.

Mr. Mancini: Thank you for the answer. I am not interested in you looking at individual cases. I am interested in a broad general policy that would affect farmers across Ontario.

If an industrial worker is injured, you try to rehabilitate him; whether successfully or unsuccessfully, that is for further debate. You try to get him employment with a different firm. You use the second injury and enhancement fund. You

spend \$107 million to convince other employers to hire this worker.

The farmer, however, because of the situation, the nature of the farm and the nature of the business, must stay on the farm to make sure it is managed properly. He is not able to tap into any of those benefits.

In my experience, a 15 per cent pension—which is what I am seeing a lot of, 15 per cent or 20 per cent pensions—is not a hell of a lot of money. The injury has disabled the farmer completely. He cannot sit on the tractor for three, four, five or 12 hours a day, as the case may be. He cannot do that.

He cannot bend over to pick up crates or load up his wagon. There are an awful lot of things the farmer cannot do any more. You say, "Here is your 15 per cent or 20 per cent pension. Fine, you stay on the farm. That is it. There is no supplement."

Whether we thought the system was fair or unfair as we went through all the debates earlier, other workers are being treated differently from the family farmer. That is very unfair to the farmer.

Mr. Van Clieaf: I can appreciate that a farmer might feel he could not maintain his livelihood or stay on the farm because of the injury. If a farmer with a significant permanent disability could not return to that type of job and was participating in a vocational program to seek suitable work, certainly the farmer would qualify for supplementary payment under that circumstance. The farmer has made the choice that he wants to stay on the farm.

Mr. Mancini: The farmer has made the choice that he should stay on the family farm, which may have been in the family for generations. The farmer has made a choice that he has to work the land so he can make his mortgage payments or pay for that combine or pay for that tractor. The farmer has made the choice that he has to stay on the farm to get his spring crop in or to get his crop off in the fall.

Yes, the farmer has made those choices. The situation surrounding the farmer is different from these other situations we have been talking about.

You say to the farmer, "Here is your \$180 a month. We are sorry you have a bad back. We are sorry your lower disc makes it impossible for you to ride the tractor, but that is the way it is. You do not get a supplement." That broad general policy as it affects farmers should be changed.

Hon. Mr. Alexander: I am not trying to be offensive, but we are talking about a farmer who

is injured. You mentioned a 10 per cent to 15 per cent disability benefit. He has a farm. He makes his livelihood from a farm. He goes back or he stays on the farm with his disability. This is where I get confused. Back on the farm, you mentioned the hay and the crops and everything. If all turns out naturally, notwithstanding his disability in other words, he still makes the same income. Do we not have a problem there?

Mr. Mancini: Maybe what I did not say is that he would have to hire a farm hand or somebody might have to quit school or something. Something would have to be done to replace the farmer's work; it just would not happen by itself. Jack, what does a farm hand cost these days, somebody to run your farm if you are unable to?

Mr. Riddell: To be paid a salary?

Mr. Mancini: What would it take for somebody to run a farm?

Mr. Riddell: It depends on what benefits you are offering him, too. If you are offering a home, milk, meat and all the rest of it, you would have to pay him at least \$8,000 or \$9,000.

Mr. Mancini: Plus the home, plus the food.

Mr. Riddell: Right.

Mr. Mancini: We are talking about a significant expenditure here. We are talking about a significant expenditure by the farmer to ensure the family farm carries on. I understand what you are saying, Mr. Alexander. If he goes back to the farm, and the crops are put in and the crops are taken off and everything is hunky-dory—

Hon. Mr. Alexander: Your position is that he goes back to the farm, but because of his injury there is the possibility of a loss of income unless he brings something or somebody in to assist him.

Mr. Mancini: Right.

Hon. Mr. Alexander: I guess that is the point you are zeroing in on, in order to determine whether rehabilitation or the whole system is in a position to help him in that regard. That I do not know. Sam, are these the exceptional types of circumstances that can be looked at in the light of the severity of the—

Mr. Van Clieaf: Certainly I would look at any case brought forward that way. You asked me the general position and I explained it, but I would be glad to look at any individual case brought forward in that way.

Hon. Mr. Alexander: Just as a question of interest, do we have so many cases vis-a-vis farmers that we are able to determine some form

of approach, or are these isolated cases? Not that they are unimportant, but—

Mr. Mancini: I understand what you are saying.

Hon. Mr. Alexander: —if they are isolated, we may not have had the experience of dealing with them.

Mr. Darnbrough: I think the answer, both from rehabilitation and past discussions with Mr. Van Clieaf, is that the numbers are not large. There are cases, though, that do need to be dealt with on a very individual and personal basis, to explore all the possibilities Mr. Mancini has raised.

Hon. Mr. Alexander: There is a possibility then that the door is not shut.

Mr. Darnbrough: The door is not shut, and I think we have worked out options with some.

Hon. Mr. Alexander: Does that help, Mr. Mancini?

Mr. Mancini: That is better. Thank you, Mr. Chairman. Thank you, gentlemen.

Mr. Chairman: Thank you, Mr. Mancini. Mr. Shymko, you are next on the list.

Mr. Shymko: Obviously I will state nothing but compliments on the efficiency and the calibre of the discharging of responsibilities by the chairman of the Workers' Compensation Board, his staff and so on.

Interjections.

Mr. Shymko: Some of us represent our workers before the adjudicators who set up appeals, and I know the parliamentary assistant to the Minister of Labour does this very frequently, as do I and other members of this committee. My success rate is about 20 per cent, compared to the 50 per cent average. I understand Mr. Mancini's is between 50 and 60 per cent.

You are very objective to come and talk about political appointments and so on. I think you are being very objective and fair, perhaps overly so.

Hon. Mr. Alexander: Please get on with your question, sir. This is getting to be very embarrassing.

Mr. Shymko: It may be the cases I have just do not have any success.

Mr. Sweeney: You may be better off letting someone else represent them.

Mr. Shymko: An area I wanted to question you on is the services in the various languages. I think 45 are listed in your statement. I see Gaelic, Lithuanian—which is fantastic—Hebrew. I do not see the languages of 20 per cent of my

constituents, although Italian is there—this is just a random reference. I am sure Polish and Ukrainian would be listed, since I have—

Hon. Mr. Alexander: They are very high on our list. I am glad you raised this issue because we have Mr. Gordon Haugh sitting there. He is the executive director of the communications division. I am sure he will be able to give you further information to supplement that part of my speech, if you thought I left something out, meaning Polish and Ukrainian.

Mr. Shymko: I see. It may be interesting to find out how many cases required the assistance of either a translator or these services. It may be interesting to know that.

Hon. Mr. Alexander: In regard to your question about the language complement we have at the board, Mr. Gordon Haugh is the executive director of our communications division, and he would be able to pursue your question.

11:50 a.m.

Mr. Shymko: The reason I am asking is, for example, over 5,000 refugees from Poland have settled pretty well in my riding, and there are increasing numbers in certain categories of services.

Would you have any statistics on the frequency of the use of translation?

Mr. Haugh: Just so we are straight on the responsibilities here, Mr. Van Clieaf is in charge of the adjudication process and in talking about translation in the adjudication process we make every effort for the claimant to be able to speak in his own language, either directly to an adjudicator of that language or through a translator.

Mr. Shymko: Do you normally use staff available, for example at the head office? You would have an indication who speaks what languages and then, if time allows, the particular counsellor or staff member will be used. If there is no one on staff who speaks that language would you then normally go to some agency to provide you with an individual?

Mr. Haugh: Yes, in the appeals process that is certainly done. We go to an agency to provide translation service for the appeals process.

Mr. Warrington: That is correct. Wherever possible, we attempt to use outside people or people independent of the board.

Mr. Shymko: I think there are pitfalls, when you introduce anything sensitive and positive and complementary, such as the use of translation. If a client speaks Italian, it is my understanding you

would normally provide someone who is an Italian translator. It would be very unusual to have a Portuguese or Spaniard, for example, provide a translation because of the differences in the languages. Is it normal to expect that?

In other words, if someone does not speak Italian, but the Portuguese language may be close in structure to Italian or Spanish—

Mr. Haugh: No. We would use an Italian-speaking person for the translation.

Mr. Shymko: I have had a case where an individual had real difficulty, could not speak English to the extent that he would adequately understand what the counsellor was saying. He was caught in an unfortunate situation. I wrote to the board asking if it could please provide translation in the language of that individual. The reply I received said, "Yes, the Ukrainian-speaking individual was provided with Yugoslav language assistance."

There is a difference in the Slavic group of languages as there is in the Romance languages. I am not trying to give a lecture in linguistics, but there is a big difference in the various components of Slavic languages. This chap had problems. You had no one who spoke Ukrainian. To add insult to injury, there is no such thing as a Yugoslavian language: there is Serbian, Croatian, Macedonian, even Albanian—a big section in Yugoslavia—Slovenian. I have problems understanding which of the Yugoslavian languages was used.

It is important for the staff to be very sensitive to the differences in these languages and not to treat them as easily as perhaps one may construe—this is Slavic, therefore we will use it—because there are fundamental problems. The case was not resolved and the man came out even more confused after that appeal than initially when English was used.

I just think that in a good idea, an excellent program of various languages, one has to be consistent in applying the service of the language of the individual, if I can just comment on that.

Mr. Haugh: Absolutely, and we would agree with you. I would hope the case you cite is isolated.

Mr. Shymko: All my cases seem to be isolated.

Mr. Haugh: We could certainly get you the statistics on the number of translators required and the amount of time they were used.

Mr. Shymko: I hope they are isolated. It is just that Mr. Laughren seems to make them universal. I am sure it was an isolated case.

The other excellent program is the workers' advisers program. Those of us who have to deal with appeals know the time required to go through the volumes of material in the files. A workers' adviser who will start from scratch and assist the worker probably will provide much better professional assistance than some of us could, not to comment on the quality.

How many are there, again?

Hon. Mr. Alexander: There are four.

Mr. Shymko: I understand there is a backlog in the assistance. It is an excellent program once you see the positive results and people are knocking at the door to have that service. It would make a lot of sense to expand it.

I know the member for Essex South questioned you on this topic, and some reference was made to waiting for some legislative changes, supposedly forthcoming rather soon. But as with any good idea, once you see its positive results, unless you have the staff to provide the service, what is positive very quickly becomes negative because of the demands. In trying to resolve this problem you have complicated it now because everybody is upset, everybody wants the service and you are not capable of providing it because of whatever fiscal arrangements and other problems.

Mr. Warrington: There are three things, Mr. Shymko. The volume of work for the workers' advisers has increased dramatically in the last year or so. Until about a year or a year and a half ago a lot of people perceived the workers' advisers to be working for the board and that therefore their interests were with the board.

That is absolutely not true. That is now permeating, if you will, throughout the community. As a result, the volume of work they do for the injured worker has risen dramatically. We have a temporary person on staff plus the four I mentioned earlier.

Our problem—to reiterate what I said yesterday—is that the workers' advisers have told me informally they are not interested in going outside the board. If I were, through the corporate board—

Mr. Laughren: It is pretty formal now.

Mr. Warrington: —to request additional staff, quite frankly I am concerned we would not get the quality of people we need at the workers' advisory, because they will be saying, "Six months from now I may be out of a job in that context and have to go back inside the board."

Mr. Shymko: Are these people trained? Do they go through some seminars?

Mr. Warrington: They are extremely well trained, yes. They must have, I believe, 10 years of adjudication claim service in the board before they can qualify. I believe the figure is 10.

Mr. Shymko: I see this as a permanent feature of the Workers' Compensation Board, pretty well—

Mr. Warrington: Oh, without question.

Mr. Shymko: —and definitely an expanding one as far as the service is concerned. Thank God the real nature of the interest factor has been cleared up with those who had suspicions that they would not be objective in their work; that is a tremendous step forward in the quality of the service and the need for more staff.

My advice, humble as it may be, would be that you look at the permanence of that institution. I have lists in my office, files of unemployed who are qualified that I could certainly send you so you may look.

But all kidding aside, it may warrant your looking at expanding it with more staff; it makes a lot of sense, certainly, to us.

Hon. Mr. Alexander: Mr. Warrington did indicate our hesitation with respect to the new thrusts given by Weiler, and the fears, and perhaps apprehension, that workers' advisers do have. But let me put it to you this way. If Mr. Warrington comes to the board with any information that would indicate we are in trouble with respect to case load and that we are not coping, I am sure the board would entertain a submission—

Mr. Laughren: You will not put one in my office, though, will you?

Hon. Mr. Alexander: We would entertain this submission in a way that I think would meet with your approval. In other words, if the work load is there and we are not matching it, then of course we would have to move.

Mr. Sweeney: Have you checked the waiting lists lately?

Hon. Mr. Alexander: Have we checked the waiting lists lately?

Mr. Sweeney: If somebody asks for a workers' adviser, how long he is going to have to wait to get one?

Hon. Mr. Alexander: I have not checked personally, but perhaps Mr. Warrington has.

Mr. Warrington: They are setting up in August; they are that far behind.

Mr. Sweeney: There is the answer, right there. When you talk about need, sure, you might have four people who are working full-time, but if someone is calling your office and asking for a

workers' adviser for whatever reason and he is told he cannot get one until next August, figure it out: he is going to say, "Forget it."

Mr. Shymko: I thought the Ombudsman's service was slow, but that is pretty long.

Mr. Sweeney: Who can wait until next August?

Mr. Warrington: As I said, Mr. Shymko, we are aware of the problem and we are working on it.

12 noon

One of factors involved is our claims in total have gone down, as has been demonstrated here. Our appeals have gone up. It is our feeling that once the economy gets back on the upswing our appeals will level out and so will the work load of the workers' advisers.

Coupled with that is the fact that appeals are becoming more popular. I hope within a few weeks we will have a decision from government.

Mr. Shymko: I hope your presumption of the appeals going down because of the upswing in the economy is right, but appeals are not always necessitated by that factor.

Mr. Warrington: I appreciate that.

Mr. Shymko: There are other factors at work. The number of appeals may even increase, despite what economic changes we see.

Mr. Warrington: It is possible.

Mr. Shymko: I am glad the chairman takes the advice of others very seriously, especially that of Mr. Warrington and others who see the need of expanding it.

Hon. Mr. Alexander: I just heard John say we are talking about August. We are all here listening to the concerns you have. I think we will come back now and say, "Tom, we heard the concerns registered. It is August. Is this a fair time to wait? What do you suggest? What are you going to do?"

Let me be absolutely blunt. What we are talking about is service to our constituents. We do not want any second-rate service. We are going to try to stay on top of the issues as best we can.

Mr. Laughren: I have a supplementary.

Mr. Chairman: I can hardly guess what it would be.

Mr. Laughren: I want to ask Mr. Alexander whether or not he has had a change of heart since I extended a very rare offer to him to have one of his people spend some time in my constituency office, coping with some of the problems that we

face with the board, and whether he thought it might be a good idea.

Hon. Mr. Alexander: I have not.

Mr. Laughren: I am really sad to hear that. We were prepared to work in a very positive way with somebody who would come out there for a couple of days a week.

Hon. Mr. Alexander: I think what we could say—and I think we said this when we had that pleasurable trip to Sudbury.

Mr. Laughren: Yes, it was great.

Hon. Mr. Alexander: We had a very open and frank meeting. You even said you thought it was a very good meeting. The whole staff in Sudbury, which is a regional office, has been at your disposal. I think there has been an ongoing relationship there that is extremely good.

Mr. Laughren: I have nothing but good things to say about the Sudbury regional office.

Hon. Mr. Alexander: No.

Mr. Laughren: I am glad that now you have given them the green light to send someone out to my office to spend some time there.

Hon. Mr. Alexander: They are always available to go to see you and try to help you iron out your several problems, but not to live in your office.

Mr. Shymko: In conclusion, I just wanted to thank you for the invitation that was extended at the beginning of my term of office. I do not know whether this was extended to the newly-elected members of the Legislature or just to me. I am surprised that the member for Essex South, for example, who is so eloquent in his concerns about the Workers' Compensation Board, has never visited the head office. Maybe you should extend an invitation to him just to show the facility. I was very impressed by the operation. I do not know whether the member for Nickel Belt has visited it.

Hon. Mr. Alexander: Let me put it this way: any time we have members who are concerned about what is happening at a hospital, I, as well as others at the board, extend invitations to come out and see just what we are doing. It is important that you know what is happening at the hospital from your own personal observation rather than that of your constituents. There is no doubt that when your constituents go to a hospital—

Mr. Laughren: Some of them never return, though.

Hon. Mr. Alexander:—any hospital, they go there with a certain amount of apprehension, whether you are talking about the Toronto

General or the Hamilton General. I hear a lot of comments about this hospital, but I want to put this on the record. Notwithstanding that some of your constituents say it is a bad place, they are treated ill and so forth and so on—

Mr. Shymko: My constituents would never say that.

Hon. Mr. Alexander: —I also get letters that are extremely complimentary with respect to the activity at the hospital. Over and above that, there are people from the United States, Japan and even South Africa who want to come to our hospital to see how we have been doing it, because we have a worldwide reputation.

I listen to the complaints. When a person goes to the hospital he or she anticipates certain problems. He is sick, hurt and expects a lot. The hospital at Downsview is a leap and I do not say that just because I am chairman. This is information that has been given to me. We are quite proud of the hospital and we are always trying to upgrade it in terms of having the type of service to which we think the injured worker is entitled.

Mr. Shymko: You have just made me feel guilty because I have not visited the hospital as yet.

Hon. Mr. Alexander: You did not ask any questions on the hospital either. There is a difference.

Mr. Chairman: The member for Nickel Belt is the next speaker. Do you want to start now or do you want to come back at two o'clock when we are fresh—

Mr. Laughren: Both.

Mr. Shymko: Or not come back at all.

Hon. Mr. Alexander: No, I want him here.

Mr. Laughren: Mr. Chairman, there are a number of issues I do want to raise. Are we sitting to 12:30 p.m.?

Mr. Chairman: If you wish. I am not; I am leaving, as a matter of fact.

Mr. Laughren: My good friend the member for Dovercourt (Mr. Lupusella) raised a lot of the issues that are of concern to us as well. I do not know of anybody who, over the years, has been closer to the injured workers than the member for Dovercourt, except perhaps my constituency assistant in Chelmsford, Harriet Conroy, who is sitting back here. She wore a dress today to match Lincoln Alexander's tie. I would welcome her to these hearings as well.

Hon. Mr. Alexander: I do not know what to say, but I am pleased she is here.

Mr. Laughren: One of you has to give us an explanation.

Mr. Shymko: You had better frame a copy of the Hansard containing these comments.

Mr. Laughren: She works long and hard on behalf of injured workers in the Sudbury area.

We have been here many times, and a lot of it is repetitive, but I do think the board treats these hearings before the committee seriously. I have never had the sense they regarded the comments of the members lightly.

Hon. Mr. Alexander: Thank you.

Mr. Laughren: We do not always get the results we want, but I think the board does listen.

I have never before felt sorry for the board, but I actually have a little sympathy for the board these days because of the whole question of the impending legislation. I suspect it must be difficult to try to keep things moving along when you do not know what is around the corner.

Hon. Mr. Alexander: I will not answer that question.

Mr. Laughren: I do not expect you to, but it must be difficult. I would think it is also difficult working on one-year contracts; that must make people nervous.

I do not know what is coming with the new legislation but it would appear the injured workers across Ontario have sorted through the white paper, Weiler and the standing committee's report and have concluded, and I think I am not unfair in saying this, they would rather stay with the devil they know than the devil they do not know.

The majority of recommendations of the standing committee were such that the injured workers do not want to see those recommendations implemented. That is very saddening because the compensation board did not write the reports. I am not pretending that is the case. It is very sad to see the efforts of the last four years or so that went into rewriting legislation and attempting to reshape the compensation system in Ontario rejected by the very people it was meant to help.

12:10 p.m.

I do not blame them for rejecting it. There are things in the new legislation that are truly frightening in the possible implications for injured workers. Part of it is the whole question of interpretation. We went into an interpretation earlier today with Mr. Van Clieaf and Mr. Darnbrough about how the board, because of the way it interprets the act, can actually cause a great deal of hardship for injured workers.

I understand why the board has to live with the act. The act is laid on you, but the interpretations are not. They are yours. It bothers me a great deal when I see some of the interpretations of the act.

I was very serious in my invitation to have someone from the board spend some time in my constituency office. What I suggested in a letter last fall was that the person spend two days in my constituency office, two days in Elie Martel's constituency office and the fifth day back at the regional office of the board. We have a good working relationship with the Sudbury regional office. You do not hear us complaining about it, although there are some things we want changed.

I thought it was a positive suggestion, to see how the workers come to us with their problems and why they come to us, rather than somewhere else. They have obviously been to the board or they would not come to us in the first place. They do not come to us willy-nilly. We do not put ads in the paper saying, "All injured workers come to us." Believe me, we do not have to do that. Our constituency offices are plugged up with compensation problems.

I have been a member since 1971. That is 12 1/2 years. It has not changed very much in those years. The Sudbury regional office has made a difference and that we like.

Hon. Mr. Alexander: I do not want to detract from your comments, but I sit here having had a little bit of experience with respect to the type of job you have now. I hear you say you would like to have someone sit in your office. I remember I was frustrated at times too, simply because at the federal level—you are talking about workers' compensation and I know you have a lot more on your desk—the federal member of Parliament has not only his own little constituency to deal with, but also unemployment insurance—

Mr. Laughren: So do I.

Hon. Mr. Alexander: He is dealing with welfare, which is not a particular problem. He is dealing with Department of Veterans Affairs benefits. I do not want to be offensive with respect to this, but this is the job you have.

Unfortunately, because of a new enlightened public now and as a result of radio commentators, etc., saying, "Go and see your MPP or your MP," I know my work load increased dramatically. It has grown to such an extent that, if I am not mistaken, you now have one or two secretarial assistants and the feds have two or three, because the work load is amazing.

I do not want to be offensive, but if you cannot stand the heat, then you have to get out of the

kitchen. This is your job. You are an ombudsman, whether you like it or not.

It is unfortunate that because of the complexity of legislation and the complexity of the whole thrust of governments, people are confused. They are beside themselves. The role you have in developing policy is being downgraded so you can help them deal with the Workers' Compensation Board, the DVA, community relations, education, etc., things you should not be doing if the system were perfect.

I really do understand. I sit and listen to you chaps. I used to take the same position. I would attack everybody. Everybody who sits up here I would attack.

Mr. Shymko: You were damn good.

Hon. Mr. Alexander: I was not good, but I did not lose any elections either. On the other hand, I accepted that as part of my responsibility. It is getting tougher with every passing year.

Do not think I do not appreciate what you have to go through with the WCB, the Ontario Labour Relations Board, the Ontario Human Rights Commission, the whole gamut. You have a tough job. I am the first one to say it is tough and you are underpaid. Do not think I do not understand, but you are not going to get anyone sitting in your office.

Mr. Sweeney: There is a slight distinction I would like to support. For most of us, workers' compensation consists of almost 50 per cent of our total constituency work.

Hon. Mr. Alexander: Mine too.

Mr. Sweeney: That is one issue. Second, much of what we have to contend with, in our judgement, does not have to be that way. The purpose of these hearings is to try to point out to you and your officials that if it were operated in different ways—

Hon. Mr. Alexander: Good. I accept that.

Mr. Sweeney: —there would be less of the kinds of frustrations we have to deal with. I think I am speaking for all my colleagues when I say we are quite prepared to do our job and know what it consists of.

Hon. Mr. Alexander: I accept that.

Mr. Sweeney: As you say, if in the next election we figure we have had enough of it, then, "Goodbye baby"; that is our decision. But when we come up against situations day after day and week after week in one agency of government—which happens to be yours—that do not have to be that way, are changeable, and as long as we know a lot of people are needlessly

suffering, then we are going to continue to come here.

Hon. Mr. Alexander: Right, and we are going to continue to come here and listen.

Mr. Sweeney: It is not just a case of, "Fellows, do your job, that is what it consists of." It is a lot more than that.

Hon. Mr. Alexander: That is right. I understand that, John. I think you are telling me that if the system were better administered you would not have the case load you have.

Mr. Sweeney: We would not have the frustration of seeing hurt and pain that we think is unnecessary. I do not mind helping someone, but I resent being faced with a situation I can do little about. I should not have to be in the position of being unable to do much about it. That is my problem.

Hon. Mr. Alexander: I think you chaps do a lot about it, because of the very fact you write to me, because of the very fact you write to my colleagues, because of the very fact we sit here over three days or more. We hear your concerns and it is our job to do so.

As Floyd said, we do not take these meetings in a sort of lacklustre way. We are here to learn and we are here to listen. We are prepared to go back and look at whatever it is that raises some concern with you, to see whether it is possible to implement what you chaps are suggesting. We are really here to help one another.

Mr. Gillies: The issue is larger than whether you get someone in your office two days a week. As John said, half of his case load is Workers' Compensation Board. I am sure it is over half for me. I know in three years we have had over 1,000 WCB contacts already in my constituency office.

The issue is much bigger, because if you get someone two days a week in your office I want someone too; probably John does, probably everyone else does. The issue is, how far can the system go to provide the members with the response capacity?

Mr. Laughren: Mr. Gillies, you make your own case to the board; I will make mine.

Mr. Piché: Mr. Chairman, on a point of order: the word "attack" was used a while ago. I do not think you meant it. I think what we are showing to the board is our concern. We are certainly not attacking anybody.

Hon. Mr. Alexander: I said that I used to attack.

Mr. Piché: Oh, I took it that we were here to attack. Maybe some members are doing that, but

I think most of us are here to show the serious concern we have.

Why do we have that concern? It is because the people we represent pass it on to us to come to you. As members, we have that opportunity to sit here at these hearings and meetings to let you know these concerns and discuss them, and we hope out of that we will have some positive results.

Hon. Mr. Alexander: That is exactly my point. All I was saying is that when I sat where you sit, I used to attack. You chaps do not attack.

Mr. Laughren: I think the policies of the board do indeed need to be attacked. I do not think Mr. Alexander was implying that he got out of federal politics because he could not stand the heat. I do not think he was implying that, although he did get out voluntarily.

Hon. Mr. Alexander: No.

Mr. Laughren: I wanted to comment about the regionalization of the board. By the way, I am going to ignore the sermon I received from Mr. Alexander. It was totally unnecessary and had nothing to do with the point I was trying to make.

Interjection.

Mr. Laughren: I want to talk about the further regionalization of the board. I believe it should be carried another step or two further. I think the pensions department, with decision-making abilities, should be regionalized to the regional offices. I would think as well you need more regional offices.

I know you are probably waiting to see what is around the corner before you do anything on that, but I do not know why. I think you would need to regionalize whether or not there is a change in the act.

Three years ago I made the same request and nothing has been done, so I hope that the board will think about regionalizing pensions. There is too much of an arm's-length distance between the pensions department in Toronto and the needs of the people who might or might not be going on pension out there all across the province.

12:20 p.m.

We think in our office that the claims decisions through the regional office are better. They are more realistic since they have been made in Sudbury. In the past I can remember giving ludicrous examples of how the board in Toronto did not understand some of the language of the mining or the forestry industry, for example, and would make decisions based on descriptions of machinery or jobs that did not make any sense at

all. We find now there is a better understanding of that through the regional office.

I think also of that whole question of the code 4 problem with presiiicotics, and so forth. Those decisions are now made in Toronto; I think the rehabilitation aspect of it should be made in the regional office as well.

Those are some of the things at the regional end that I think need to be beefed up. The regional aspect is working and you should show more confidence in it and regionalize even more.

There are some specific problems I wanted to get into.

One is the whole question of the Canada pension plan. I am forever dealing with injured workers. This is why I was somewhat aggravated by the comment that counsellors do not counsel workers against their own interests.

I think WCB counsellors sometimes do counsel injured workers in such a way that it is against their own interests. That is what I do not like. CPP is an example of that. Counsellors will advise workers to get CPP and as soon as they do, zap, there goes the supplement. I think that is unfair.

Also, a worker will sometimes get CPP solely because of a disability caused by the job. The board does not say he is 100 per cent disabled. In this weird, wonderful and stupid patchwork system we have in this country to compensate people, CPP will give a person 100 per cent disability because of some doctor's report. The board will view that same person as being only 50 per cent disabled because of the injury.

In such a case, I think the board has an obligation to say, "That person's total disability is as a result of the job and CPP recognizes it," and give that person a 100 per cent disability pension.

You cannot have it both ways. You cannot use the CPP to reduce the board's obligation to an injured worker and then not use CPP when it would mean a larger payout for you. You have the best of both worlds in dealing with CPP and I think that is unfair.

The other thing I wanted to know—and perhaps someone here can tell me—is if you would assure us that when CPP contacts the board, which it does, and the board shares information with CPP, which it does, nothing will be sent to CPP or is being sent to CPP that would not be sent to that injured worker or his representative; for example, information about psychiatric problems, terminal disease and so forth. I think it would be infringing on the rights of the injured

worker to send that kind of information to CPP. I would appreciate that assurance.

I will go through my points, if you like, or do you want to deal with them as we go? I have a half dozen or so. I do not care which way we do it.

The Acting Chairman (Mr. McLean): You might as well give us two or three. We will be adjourning in about seven minutes.

Mr. Laughren: Okay.

The other point is the whole question of white hands. This is a problem that is bothering us a great deal in the Sudbury area because it comes from working with vibrating tools and equipment. You have a lot of that, both in the forestry industry and the mining industry. Our constituency office is faced with a lot of such cases.

As far as I know, white hands—that may not be the technical term for it—is irreversible. The problem will not go away. That is why I have always thought those people should not be sent back in to drill, but the board is doing that. It is sending workers back to continue drilling. As far as I know, there is no treatment for it unless it is caught very early; perhaps then you can. I am wondering why the board treats it in such a way. It bothers me.

The other thing is that I find the criteria really bizarre. The board says it is not compensable if the worker has not drilled for the last five years; I believe that is the criterion. If the worker has not drilled—using drilling as the example—for the last five years and that person has white hands, then they say it is not the responsibility of the board.

But that worker has never had any other occupation or hobby that would have led him to have white hands, so there is no other way, in my view, this person could have white hands. Yet the board says: "No, it was 10 years ago and you have not drilled in the last five years. Sorry, you are not eligible; it is not a compensable condition." I do not know how you justify that.

The other question in dealing with white hands is the whole question—and this one really drives me crazy—of carpal tunnel syndrome versus white hands. That one is really weird, because I think very often they can have both. White hands for sure is caused only by vibration; I think carpal tunnel could be caused by something else, could it not? But it can also be caused by working with vibration tools and equipment, yet carpal tunnel is not classified as an industrial disease under the board's regulations—at least I do not think it is.

Claims from a person who has this affliction get bounced back and forth between the industrial disease section of the board and the claims section of the board, and that causes some

problems. They end up with different claim numbers for the two different conditions, and I really do not think it makes any sense. Why not make it automatic that it is one claim and it is dealt with as an industrial disease?

As an aside, who has replaced Dr. Burton in dealing with this problem? I do not know who has done that. I am not complaining that she has been replaced, I just want to know who has replaced her.

Hon. Mr. Alexander: She is about to retire, or did retire. Dr. Mitchell?

Mr. Laughren: Perhaps I could stop there for the moment, get some answers to that and then come back at two.

Dr. Mitchell: To answer your last question first, Mr. Laughren, Dr. Neva Hilliard has replaced Dr. Burton. She is one of the specialists I spoke about with Mr. Mancini yesterday.

You are delving into a complex medical situation here, and I will try to keep this as simple as I can. Vibration-induced finger disease may indeed resolve if the patient or the worker gets away from drilling for a period of time.

Mr. Laughren: In the early stages.

Dr. Mitchell: In the early stages. That is why sometimes they are taken off and then allowed to go back. Because there is a time relationship between when you drill and when you get this vasospastic disorder, it has been instituted that a period of five years—I cannot be exactly sure of that myself, but let us take it as five years—if you have had that latent, long period where you have not drilled, then it is extremely unlikely, in the view of those of us who know the disease, that it is related to the actual use of the tool.

Mr. Laughren: What do you think could have caused it, then?

Dr. Mitchell: Well, every vasospastic disease has smoking in its aetiology.

Mr. Laughren: This is circulation.

Dr. Mitchell: That is right. On our records there is no conclusive evidence that smoking is a factor in vibration-induced disease, but every other surgical vasospastic disorder has a relationship to smoking. What is more, a lot of them will disappear if you stop smoking; and this is, I think, a very important aspect to it that needs further investigation. If we were to look at the experience of nonvibration-induced white finger disease, of which there are a number of examples—

Mr. Laughren: Are you saying that someone who had never worked with vibration equipment could have white hands?

Dr. Mitchell: Yes, sir; it is called Raynaud's phenomenon.

Mr. Laughren: Yes. And if they work with vibration equipment and they smoke, are the chances greater they would have white hands?

Dr. Mitchell: There is no evidence that is so, but in every other vasospastic disease, such as Raynaud's, there is a relationship. I think it is extremely likely this does exist. We have not been able to prove it statistically, that is what I am saying.

The Acting Chairman: Thank you very much. Do you have anything further? We will adjourn until 2 o'clock.

The committee recessed at 12:31 p.m.

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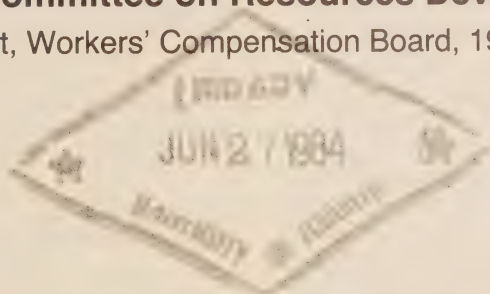
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Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Wednesday, March 7, 1984

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, March 7, 1984

The committee resumed at 2:13 p.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982 (continued)

Mr. Chairman: I understand that when we broke off before lunch, Mr. Laughren had the floor.

Mr. Laughren: This is true.

Mr. Chairman: This is true. Good.

Mr. Laughren: I wanted to go back to Dr. Mitchell for a moment because of the problems we are having with white hands and carpal tunnel syndrome.

Am I correct in assuming that if a worker drills or operates a chainsaw for 20 years, stops and does other kinds of work for five and a half or six years, and launches a claim for white hands-Raynaud's syndrome—he would be rejected because he had not been using vibrating equipment for five years?

Dr. Mitchell: I believe that is the current determination, yes.

Mr. Laughren: Maybe this is a difficult question to put to you and it puts you in an awkward position, but do you really believe that is fair? Where the hell else could it have come from?

Dr. Mitchell: As I noted, there may be other factors that we do not know about it.

Mr. Laughren: Maybe.

Dr. Mitchell: There may be other factors. I think the word is "may," and you have emphasized it.

Incidentally, I think we should separate vibration-induced white finger disease from carpal tunnel. These are very different diseases, and I do not think you should be coupling them together if you are assuming them to be of similar aetiology, because they are not.

By the very nature of what we assume to be the cause—in other words, vibration-induced disease—I think there has to be the recent use of a vibrating tool; that is the basis of that feeling, because there are other possible causes, which may indeed be a factor. That is the reason the decisions are given as they are.

Mr. Laughren: Okay. I find it really astounding that a person could drill for 20 years and be off for five and have white hands and be told that because of the five-year rule he is not compensable.

The other thing I do not understand is why, when someone comes to the board with a claim for white hands, the claim can be recognized as white hands and the worker can be sent back to continue drilling. Do you think that is proper medically? Is that appropriate?

Dr. Mitchell: As I say, if they have shown, having been away from drilling, the disease regresses and they have no further trouble, I think it is probable they can go back under those circumstances. If they had continued symptoms, I think it would be improper.

Mr. Laughren: So if they have been diagnosed as having it at the time they launched the claim, and it is accepted that they have white hands, you do agree they should not go back to drilling?

Dr. Mitchell: No, I did not say that.

Mr. Laughren: I missed something.

Dr. Mitchell: I said if it regresses, after they have launched a claim and it has been allowed, if it gets better when they have been away from drilling, then they may go back.

Mr. Laughren: We are saying the same thing. If they launch the claim and they have an ongoing claim, they still have white hands and they are perhaps even getting a small disability pension, do you think they should be back drilling?

Dr. Mitchell: If they have lost the symptoms of white hands.

Mr. Laughren: No, they still have white hands.

Dr. Mitchell: If they still have it, then they should not go back to a situation that aggravates the problem.

Mr. Laughren: Okay, I happen to agree with you there. I knew if I went on long enough, we would find something on which we were in agreement.

Another problem that has nothing to do with Dr. Mitchell has to do with the way the board plays fast and loose with the unemployment insurance commission payments. When a worker

is awarded supplementary benefits retroactively, because of delays and perhaps even an appeal going back perhaps several months, the worker is told he will get his retroactive payments minus what he received in UIC benefits.

Mr. Gillies: I should let the board speak for itself, but my understanding is that UIC benefits are treated quite differently from earned income and that this is within the framework of the act.

Mr. Laughren: So what happens then? Where does the money go that would otherwise go to the injured worker?

Hon. Mr. Alexander: Mr. Van Clieaf, will you answer that question? Can you comment on what my friend to the right just said about that problem regarding UIC? Is his statement correct or—

Mr. Van Clieaf: I will deal with Mr. Laughren's point first and then the second one.

If the worker does go to the unemployment insurance commission and can qualify for benefits, while there is a pending situation or even one that had been denied that was subsequently allowed, and if he is granted benefits and he completes an assignment and that assignment is passed along to the board as an advance against possible future compensation, we will honour the assignment within specific terms of reference only at a rate for the period the supplement was granted.

If the assignment overlaps that or it was a larger period, we would not take it all off the top. It would only be for that period and that rate.

Mr. Laughren: You are using the word "assignment." I was not; I was talking about a person who is drawing UIC benefits, right?

Mr. Van Clieaf: Yes.

Mr. Laughren: When you award that person supplementary benefits back a couple of months but there has been no agreement on an assignment, would you deduct that person's UIC benefits?

Mr. Van Clieaf: If there was no agreement signed by the worker, we would not.

Mr. Laughren: I see. It is only if the worker when he went to UIC signed an agreement with the UIC saying any WCB benefits would be paid back to the UIC?

Mr. Van Clieaf: That is correct.

Mr. Laughren: Okay, that answers my question. So the money goes from the board to the UIC.

Mr. Van Clieaf: Yes.

Mr. Laughren: I see. You have an agreement with the UIC; almost like welfare.

Mr. Van Clieaf: If they complete an assignment, yes, we will honour the assignment. I believe the worker fully understands what he is signing.

Mr. Laughren: If there is no assignment, nothing signed between the worker and the UIC, but you know that worker has been drawing UIC benefits for two months, what do you do then?

Mr. Van Clieaf: We pay the worker his benefits under the terms of the act.

2:20 p.m.

Mr. Laughren: I see, and you keep your nose out of the UIC?

Mr. Van Clieaf: That is correct.

Mr. Lupusella: I have a supplementary, please. Why are you sending the money to the UIC? The injured worker has to pay income tax on income from unemployment insurance, while he is not supposed to pay income tax on money from the Workers' Compensation Board. Why do you not use the reverse approach, so that the injured worker returns the money to the UIC and you give the money to the injured worker? Why do you not use this more sensible approach?

Mr. Van Clieaf: We are usually not involved in the approach when it starts. The worker goes to the UIC and he or she says, "If I receive compensation I am claiming for it and if the board pays I agree to have you refund it." The board really is not involved in the procedure.

Mr. Lupusella: Yes, you are really involved. I want to bring to your attention the latest case which I had about an injured lady who was not paid by the WCB after a compensable accident. Actually, it was a recurrence of a compensable accident.

Then I got involved. The WCB decided she was entitled to payment. In the meantime, she was receiving benefits from a private company plan for three months while she was off work. The WCB money was sent directly to the hospital, which was the employer of this injured lady. I got in touch with the board and said, "Why did you not send the money to the injured lady and she will send back the money to the private plan of the employer so at least she is not supposed to pay income tax on that?"

The board actually has a policy to give back the money to the employer or to private plans rather than to the injured worker, and so the injured worker actually is penalized in the income tax process.

Mr. Van Clieaf: From the standpoint of the income taxes, if benefits are made payable on the worker's behalf to unemployment insurance or against another assignment, such as the employer's own private plan, we would give the employee a statement of the benefits that we paid out during the year in question, and provided it is a schedule 1 case, the employee, I believe, could claim that as a deduction on income tax.

Mr. Lupusella: Not in this particular case. Actually the letter was issued as a result of my intervention in the case.

Why do you not send a general memo to the claims department or to the other people involved in dealing with the individual claims, so that when such a situation occurs, at least they will send the money to the claimant and the claimant has the responsibility to send back the money either to the unemployment insurance or to any other private plan which is established by the employer? Why do you not do that, so at least the person is not penalized in relation to the income tax process?

I do not think people employed by the board at the lower level are aware of this kind of procedure. Send out a memo. Inform them. The letter you are talking about was issued to that particular claimant because I got involved.

Mr. Van Clieaf: If you would like to make me aware of that case, Mr. Lupusella, I will be glad to—

Mr. Lupusella: It has been solved. The letter was sent out. I raised the issue before a claims officer who was not even aware of this kind of proceeding, and the money was sent directly to the hospital instead of sending the money to the injured lady.

Hon. Mr. Alexander: For perhaps further clarification, Bob Reilly would like to make a comment, Mr. Lupusella, on this same topic.

Mr. Reilly: I think Sam was trying to explain to us, Mr. Lupusella, that whatever is payable under the Workers' Compensation Act is not a taxable amount if it is under schedule 1; and whether the board pays it to the injured worker or pays it on her behalf to a third party, the total amount paid under the claim is not taxable. When the claims adjudication branch issues her a letter showing how much was paid to her in benefits, that is a deductible item on her tax return.

Mr. Lupusella: I concur with your policy, but again, sometimes theory and practice will not match. The general policy you are enunciating before us is not implemented by regular people at the lower level at the WCB offices.

In relation to this letter I know it is the current practice of the board to do that. But in the case I was talking about I was supposed to intervene to make sure the letter would be sent out to the injured worker, because the board at its discretion sent out the money to the employer. I said: "Please send the total amount of money to the injured lady. Get back the money from her employer so at least she will not be penalized for the money she was receiving from the hospital when she was off work."

Mr. Reilly: Yes. The point is, though, that if she gets the letter from the claims adjudication branch, as a lot of the injured workers do, she will not be penalized.

Mr. Lupusella: I understand, but again you are talking—

Hon. Mr. Alexander: Are you stating that, although you accept the policy we have, there are certain people on lower levels—

Mr. Lupusella: Who are not implementing the policy.

Hon. Mr. Alexander: —who do not understand the policy?

Mr. Lupusella: Yes.

Hon. Mr. Alexander: If that is the case, then we will certainly take it as notice and make sure those who are dealing with the injured worker on a front-line basis understand that this sort of information should be on hand and should be available at any time the injured worker is involved with such circumstances. The worker should be involved. Even though this money is going to a third party, we are going to issue a statement to the effect that he is entitled to so much money and can claim this off his income tax.

We know it. What you are saying is that some of our people do not know that.

Mr. Lupusella: They do not know and they do not follow such a policy.

Mr. Van Clieaf: I will be glad to send such a memo and remind the adjudication staff.

Mr. Lupusella: Or else if you want to change the memo, make sure the money will go to the injured worker; you advise the injured worker to send back the money to the employer for the money he or she received from the private plan, which will be the same.

Mr. Laughren: Mr. Chairman, it is good to have my friend Tony back helping out.

The other area I wanted to get into now is the whole question of hearing. I do not know of any disability with large numbers that bothers me as

much as hearing disabilities among workers—in the Sudbury area, at least, and I am sure it is the same elsewhere.

A couple of years ago the social work department at Laurentian University approached me about having someone work in my constituency office as field placement for the program of social work. There was a young man by the name of John Watson who agreed to come in. We talked about what he should do for his placement, and he ended up doing the whole question of hearing loss. He was very interested in it. His professor, John Lutes, has a hearing disability himself. I think it was a very nice connection, and it tied in well with the problems in my office with the compensation board.

He did a report. He put a lot of work into it, and I think he did a nice report. I would be happy to send it to somebody at the board if you would like me to. I am not suggesting it is a scientific document that will be in the medical journals, but I think it is an honest effort to come to grips with some of the issues in hearing.

Hon. Mr. Alexander: Let us have the report and I will see to it that it is distributed to those who should be interested.

Mr. Laughren: Okay, thank you. He dealt with a number of issues in his report. When workers have a hearing loss, what it does to their social life is really incredible. I never understood until I started talking to more and more injured workers over the years what it does to their social life and their family life. It is really remarkable.

2:30 p.m.

Now when an injured worker comes to me with a hearing loss I always say to him, "Have you noticed that it has affected your family life?" Right away he starts talking about the problems he is having at home: more quarrels in the home because of the aggravation and because the rest of the family does not really understand how the hearing loss affects him. When he is one on one he will be fine, but if there is a TV in the background, the whole thing falls apart for him, and so forth. It really is a serious social and family problem. It is undercompensated by the board.

For example, total blindness is a 100 per cent disability; total deafness is 30 per cent. Tell me how you justify 30 per cent for total deafness.

This is what is so screwy about the board's system. They have known this for a long time, so they should not be pleading innocence or surprise. If someone gets traumatically deafened through an explosion, he or she gets a 60 per cent

disability pension. If you go deaf gradually, you get 30 per cent. I find that a little strange as well.

I think there are some real contradictions in the act. If you talk to experts in the field, they will tell you deafness is as serious an impairment of a person's enjoyment of life as is blindness. They will tell you that. They are people who know a lot more than I know about how you measure stress and so forth.

Mr. Mancini: The social assistance review board will not tell you that.

Mr. Laughren: No, perhaps not. There is a real inequity in the system of awarding hearing impairment claims. I am using the upper limit of 30 per cent, but there are all sorts of impairment percentages up to that which are grossly inadequate, given what happens to the worker.

I know what the problem is. The problem is subsection 43(1), I believe, which talks about impairment of earning capacity, or words to that effect. This means that if you cannot show that there is an earnings loss, tough luck.

That is what makes it so difficult, because lots of people with hearing problems go back to work and there is no loss in income. That is why the new system is so scary for a lot of people with hearing losses.

I think the way the board compensates hearing impairment is really bad. It is grossly unfair. Those percentages have to be bumped up to start with. That is where you should start.

Second, I have a concern about this bilateral rule, that it has to be 35 per cent hearing loss in each ear. That is a hard and fast rule. Forget about appealing. If you have 40 per cent loss in one ear and 30 per cent in the other, forget about it; you might as well spit into a high wind. You are not going to get anywhere in an appeal. It does not matter what arguments you make; forget it, that is the ruling.

I believe the evidence can show that a 40 per cent loss and 30 per cent loss can be as severe a hearing disability as 35 per cent in each ear, particularly with some frequencies. I think loss is measured over four different frequencies to get the 35 per cent loss in each ear or any other measurable loss, is it not? I think it is very unfair to have that very arbitrary rule of 35 per cent bilaterally.

Mr. Lupusella: That is exposure to 90 decibels.

Mr. Laughren: The 90 decibels versus 85 decibels is another one. There are some things the board simply has to look at, because I do not think they stand up, even medically, in some of those cases. I do not believe you can medically

justify your argument that a 35 per cent loss in each ear is always a more serious disability than 40 in one ear and 30 in the other. I do not believe you can, and yet it is there.

I would appreciate hearing from Dr. Mitchell what he thinks about my plea for those things: (1) the level of the 30 per cent pension for total hearing loss; (2) the bilateral 35 per cent hearing loss in each ear; (3) the 60 per cent pension for trauma versus the 30 per cent for gradual loss, and (4) the 85 decibels for eight hours for five days a week as opposed to 90 decibels.

Could I ask Dr. Mitchell if he agrees with anything I have said?

Dr. Mitchell: I wish things were as easy and as black and white medically as sometimes you would like to believe.

Mr. Laughren: You made it black and white for a 35 per cent loss in each ear, not me.

Dr. Mitchell: Let me just explain some of the problems here. People go deaf as they get older. It is very hard to determine, where there is not an incident such as an explosion, that this apparent deafness is work-related.

I think the medical people have felt: "Here we have a history of definite trauma—an explosion, the patient is deaf. We can equate that to an incident." But when, over a number of years, someone goes deaf, who may well have gone deaf irrespective of the situation he was in, then the medical people feel a little less secure.

I think that is the basic medical philosophy that makes it difficult for us to apportion the same degree of disability to the acute case where we have a definite, identifiable event and a sequence of events that may well be the result of ageing as opposed to industrial causes.

Mr. Laughren: But you agree we are talking about planes on which the board has already accepted compensable responsibility.

Dr. Mitchell: I think it shows an uncertainty on the medical side, if you wish, about the real ideology of that problem.

Mr. Laughren: I love the way this man throws around the word "ideology." Go ahead. I like it.

Dr. Mitchell: It is a very important word.

Mr. Laughren: It is. I agree.

Dr. Mitchell: I have stressed that many times in the last couple of days.

As for whether 35:35 is equivalent to 40:30 and whether 85 decibels is appropriate, we seek advice on that. If you give me the opportunity and the time I will be glad to look into it. I will ask our consultants. I do not happen to know the

answers and I cannot give them to you right now, but I will certainly pose that question, "Is 40:30 any better than 35:35?"

The guidelines we look at for noise volume are set by the Ministry of Labour. We get experts in. We have had a complaint at our own shoe shop at the hospital and rehabilitation centre. The workmen said: "The noise is too much. We are going deaf." We have had people from the Ministry of Labour up there who said, "This is within reasonable limits." We have to be guided. Not all of us are experts in everything. I will get the answer to you on that.

Mr. Laughren: Okay. I guess it is one of those areas that is very often difficult for the board because of the lack of income loss. This is one of those areas where what it does to the worker's life is such that the board really needs to take a new look at it, because of the social and family problems we have been talking about. It is much more than a loss of the physical ability of the injured worker that perhaps might even be visible.

Mr. Lupusella: On the same topic, I had an appeal three or four weeks ago. The decision has not yet been rendered because everything is under study. But along the line used by Mr. Laughren, I am quite disturbed about the policy being implemented by the board at this time.

Interestingly enough, it appears the noise levels should be between 75 and 80 decibels eight hours a day for five years. That is the present policy. This means that with the particular incident described by Mr. Laughren, even though the individual has a high degree of loss of hearing, because he was not exposed to 75 and 80 decibels the board might decide in its wisdom not to grant a pension to the injured worker. I think that is completely unfair.

2:40 p.m.

By the way, based on comments by doctors employed by the board and contained in this file, I want to quote to you a short paragraph, which says:

"Reviewing the medical evidence on file it is considered that the above-named worker has bilateral sensory neural deafness. If sufficient exposure to hazardous noise in employment is accepted in his claim, and if there is any particular evidence of low-frequency noise, the deafness could be compatible with the noise exposure."

In other words, the doctor employed by the board says that even though the decibel level was below the criterion used by the board, the individual has a permanent disability. But again,

I am faced with a claim in which the WCB is reluctant to grant a pension based on the comment of doctors employed by the board. Can you give me an explanation of that?

Dr. Mitchell: Yes.

Mr. Lupusella: I went through the appeal system. That is fine. But why does this individual have to go through the appeal system when the doctors at the board say: "We recognize there is a disability in your case, but you do not fall within the criteria used by the board; therefore, your condition is not compensable. We will not grant you a pension"?

The worker was forced to retire before age 65 as a result of his disability. He is unemployed now. Also, he was supposed to launch an appeal before the board. Why are these cases happening?

Dr. Mitchell: I think there is very good evidence here that the criteria were not met. That was clearly defined in the doctor's note.

None of us knows whether that patient would have gone deaf or not, no matter where his work was. Unless working conditions are such that the noise levels are in the critical range, then it is quite reasonable to assume the deafness was not caused by the work. What the doctor said was, "This is compatible with industrial injury had the levels been right." But they were not, therefore the case was overturned. I think that is a perfectly logical, reasonable, albeit unsatisfactory, answer.

Mr. Lupusella: Dr. Mitchell, with great respect, I understand the dilemma you are posing, but there is no way for the medical profession to establish whether or not this individual would have gone deaf if he was not working in that environment.

Dr. Mitchell: Yes.

Mr. Lupusella: My question is, why is the board not bearing part of the responsibility and granting such individuals the benefit of the doubt and saying: "To a certain extent, you have been disabled as a result of the work you were performing, the exposure to noise of 75 or 80 decibels. Because of unknown factors of which even the medical profession is uncertain, we will give you the benefit of the doubt and a 10 per cent pension."

Why do you not use this type of measurement, rather than saying: "You are completely excluded. Tough luck for you. You retire before age 65 and we are not responsible, although the doctor says the disability is compatible with noise exposure, even though the noise exposure

was less than under the criteria established by the board"? Why do you not do that?

Dr. Mitchell: I guess we have an inherent honesty to try to do what we think is appropriate on both sides of the fence. If we cannot satisfy ourselves beyond reasonable doubt there was a cause, then why should we support that any more than we should take the other side? I think we are as impartial and as honest as we can be. We take the guidelines set by ministries, we get the expert opinion of others and we try to come down with a decision we think is honest and will stand the really hard look of all the appeal system and all the questions you raise. It is an honest attempt to meet problems that are difficult to establish.

We were talking about this with other diseases. There are so many factors in some of these problems. We cannot say, "Because that is not so, this is so." I am sorry, but the good Lord just happened to make us that way.

Mr. Lupusella: That is why the benefit of the doubt was established, but I do not think it is widely used in the policy of the board. It is just a farce to suggest the benefit of the doubt is given to injured workers anywhere. It is just to save the face of the WCB that it is humanitarian towards injured workers.

Mr. Laughren: While Mr. Darnbrough is still here, could he tell me what kind of assistance you offer workers with a hearing disability? Where does the rehabilitation department plug into this?

Mr. Darnbrough: The nature of the disability is not one of our considerations in deciding whether or not vocational rehabilitation services are available. Whether it is a hearing case we are looking at or blindness or any other disability, the types of services provided are provided equally to all people.

Mr. Laughren: I get complaints about people being granted a hearing disability award and then having to work in a noisy environment and rehab not retraining them or helping them get different work.

Mr. Darnbrough: I do not think that is the case. It certainly should not be, by virtue of our eligibility criteria.

Mr. Laughren: Is that not policy?

Mr. Darnbrough: That is right.

Mr. Laughren: I will make sure they come to your attention the next time.

Mr. Darnbrough: Thank you.

Mr. Laughren: There are a couple of scattered things I wanted to raise. One is the whole question of the number of appeals being

won. It is fairly high. I think you said about 50 per cent.

Hon. Mr. Alexander: It is 52 per cent.

Mr. Laughren: So 52 per cent of appeals launched are won. While we might take some satisfaction in winning appeals, others who launch them—

Mr. Lupusella: Like Mr. Shymko.

Mr. Laughren: When you do not win many, you really appreciate it when you do win.

Mr. Lupusella: I am on the other side, in the 48 per cent that are usually rejected in a year. That is the big problem.

Mr. Laughren: Do not tease the bears, my friend. I did not mean the Russian bear.

Mr. Shymko: Sometimes you have to forgive the ignorance of your neighbour. He cannot help it.

Mr. Laughren: I sometimes wonder when appeals are won whether that is ever treated as a precedent or whether the people in adjudication or in the review branch are given the reason for the appeal being won by the claimant or his representative.

It seems to me you should point that out to all the people involved in making these judgements. It does not mean every single appeal, that would not make sense, but point out ones where there is a principle or a policy involved so they are not needless appeals. That is what I am concerned about. Do you have any mechanism for doing that?

Hon. Mr. Alexander: I would like Tom Warrington to answer this question.

When you mention the word "precedent" I become a little squeamish. Every case is dealt with on its own individual merits. It is extremely important to keep that in mind once you start talking about precedent. If you have precedents, then you are moving away from every case being dealt with on its own individual merits. I think Tom will be able to elaborate on that.

Mr. Warrington: That is exactly true. To the second part of your question, should a policy matter arise at an appeal board hearing and the commissioners feel they would like to allow the case but it would be against reasonably important policy, they would likely come to me and explain the circumstances of the case. If I agreed, then it would go before the corporate board for a change in policy or a proposed change of policy. Does that answer your question?

Mr. Laughren: But surely you do not get all the decisions. Does someone keep an eye on the appeal decisions?

Mr. Warrington: Yes. We have what we call noteworthy decisions. Those are noted or spotted by the appeal administrators and copies are sent to myself, the registrar of appeals and the divisions involved, the rehab division in particular. They know what we are doing.

2:50 p.m.

Hon. Mr. Alexander: I can add that in order to see there is no communications gap, Mr. Warrington holds meetings every Friday with all the commissioners who sit. Any particular problem that comes before any individual is then brought to the whole group, so there is that consistency in approach.

Mr. Warrington: If I may correct you, they are held once a month on the first Friday of every month. But that is true; we do have that communication among the commissioners.

Mr. Laughren: Speaking of communication, I had some with the board not too long ago concerning something called mileage charges. This one really puzzled me.

A worker was living—let us use rough numbers here—10 miles from his doctor and 20 miles from his work. He had problems driving and he was trying to arrange car pools and so forth, so he moved. He sold his house and moved to where he was roughly 20 miles from his doctor and 10 miles from his work—I am rounding off here—almost the reverse situation.

The board then decided it would not pay him the increased mileage to his doctor for his ongoing visits because he had moved farther away from the doctor than he had previously been, even though he had moved because of his compensable condition. That seemed bizarre to me.

I wrote a letter and—

Hon. Mr. Alexander: To me?

Mr. Laughren: To you and—

Hon. Mr. Alexander: What was my reply?

Mr. Laughren: I will spare you the embarrassment of your reply.

Hon. Mr. Alexander: No, no. Mr. Laughren, please, if I signed it, someone is going to have to explain. Let us hear it through, really.

Mr. Laughren: Are you serious?

Hon. Mr. Alexander: Sure. That is why we are here.

Mr. McLean: Read it all.

Mr. Laughren: "Mileage payments to Mr."—you want this?

Hon. Mr. Alexander: Sir, we are here for information.

Mr. Laughren: Okay.

"Mileage payments to Mr. Belan have been adjusted and this is in accordance with medical aid policy regarding payment of mileage. When an injured worker changes his place of residence after the accident, the amount of transportation expenses must not exceed that which would have been allowed had he not changed his place of residence."

That was the decision.

I am sorry, the letter was not to you. I apologize.

Hon. Mr. Alexander: It is the same difference anyway. The board answered your question.

Mr. Laughren: Yes. It continues: "You have also posed a hypothetical question as to how mileage would be calculated in this case if he lived in Chapleau"—

I had put the question: "What if it were reversed? If he lived in Chapleau and had to go to a specialist in Sudbury 300 miles away, if he moved closer to his doctor, would you still pay him the mileage from Chapleau?" I am just trying to get some consistency out of the board here; that is all I am seeking.

The letter goes on: "You have also posed a hypothetical question as to how mileage would be calculated in this case if he lived in Chapleau at the time of the accident and subsequently moved to Sudbury. Your question is specifically, 'Would you continue to pay him the Chapleau mileage rate if he moved to Sudbury, where his doctors were located?'"

"Transportation expenses are generally paid on the basis of actual distance travelled or costs incurred"—

Wait a minute. A minute ago in the previous paragraph he said it was the distance if he had not moved. Anyway, that is an editorial comment on my part.

—"provided that the other policies governing payment of transportation expenses are met. In the situation you have described, it is unlikely that any transportation expenses would be allowed."

Anyway it is very strange and your policy does not make sense. I would submit to you that—

Hon. Mr. Alexander: It may not make sense. It is to be hoped it does, but perhaps we can have someone who can give us the basic policy on what we are talking about on transportation allowances.

Mr. Laughren: Who is the lucky guy? Who has the short straw?

Hon. Mr. Alexander: Who is the lucky man?

Dr. Mitchell: Medical aid comes under my division and I cannot give you a logical explanation today. I will find it. I just ask the question, what would have happened if the doctor had moved.

Hon. Mr. Alexander: I suggest you would—

Mr. Laughren: That is a very good question.

Hon. Mr. Alexander: Seeing that we have a moment of levity in here, I guess what you are asking us to do is to have a look at that letter and see if what we have said is really consistent with the facts. Did we leave something out? Are we being reasonable, or is there room for improvement?

Mr. Di Santo: Who would be fired?

Mr. Laughren: The person who wrote the letter is a good person. I am not pointing the finger. He is interpreting the policy of the board.

Hon. Mr. Alexander: That is what I am trying to find out. We will have to look at the policy again and we will reply to that letter if you will let us know just where it is after this is over. I will certainly look into it and see if we can rewrite it.

Mr. Laughren: Okay. I would not want you to think that is the only inconsistency in the board. I will move on to another matter dealing with pension supplements.

This ties in a little bit with a case. The chairman of the committee got to know a man in Chapleau almost personally because I kept raising it as an example of a bad policy of the board during the hearings on Weiler and so forth.

You should have a regional office in Chapleau. Do you know what the board tells people there? They tell someone in a relatively isolated community like Chapleau that has about 4,000 people and is about 300 miles from Sudbury: "If you want to continue to get your supplement, you cannot restrict yourself to living in Chapleau. You have to move and hunt for a job."

The board does not say: "We have a job for you in Sudbury. Therefore, if you do not take that job, you are not co-operating with rehab in order to qualify for a supplement." They do not say that. They say, "Whether or not there is a possibility of a job anyway," they tell him he is not co-operating. I do not know how you get off on that. In this case, a 60-year-old unilingual francophone from Chapleau who had worked in the bush all his life was told he is not co-operating with rehab. It really is bad news.

That is one example. I have another example where a supplement was denied a woman

because, to use the exact words of the board: "You have been considered to be medically fit for modified work for the last three years, but have received full compensation benefits for those past three years. The time has now come when we must consider that your impairment of earning capacity is no longer greater than is usual for the nature and degree of disability. It is felt that after three years of vocational rehabilitation division assistance, plus your own efforts, you should have been able to obtain suitable modified work, but obviously you have not."

The board has made a decision that this person should have been able to find work if she had been serious about it and therefore the supplement is being cut off.

I do not want to take up the rest of the afternoon of the committee, but I have a list of dates and places where this woman applied for jobs during those years. She has very wisely kept a list. The number of jobs she sought in September 1981 was 15. Anyway, it goes on; in one month it was 15 jobs; in other months it was 49, 37, 43, 23. These are the numbers of jobs this woman sought, and this goes on and on, month after month. Through no fault of her own she was not able to obtain employment.

Employment opportunities for women are scarce in the Sudbury community to start with and, second, we have a very high unemployment rate in Sudbury now. To state the board can now wash its hands of this woman's problems because it has been three years and she has not been able to find a job and it is obviously not the board's responsibility any more is an arbitrary time limit on where your responsibilities end.

I would love to hear Mr. Darnbrough's explanation of what kind of clock or calendar is clicking in his head that says at a certain point this woman should have been able to find a job.

Mr. Darnbrough: First, I think we may be confusing two items here and one is the continuation of the payment of the supplement and the other is the continuation of vocational rehabilitation services.

Certainly from what you have described, I do not know why the woman's case would be closed. You have that evidence, I do not. I am not familiar with it at all, but if someone was pursuing employment opportunities as aggressively as you have described, then I would expect that vocational rehabilitation counselling would be continuing with that person, if that were the only circumstance in the case.

Obviously, I cannot answer because I do not know what other circumstances surround the

case, but from the way you described it, vocational rehabilitation assistance should still be provided. There is no time clock. We are not looking at six months, a year, two years, three years or whatever is involved to describe co-operation.

Mr. Lupusella: Why did I launch an appeal just three weeks ago because rehabilitation assistance was completely closed to an injured worker? Just three weeks ago I appeared before the board.

3 p.m.

Mr. Darnbrough: I do not know.

Mr. Lupusella: I did it to reopen the issue that the board did not have the right to close rehabilitation assistance to this injured person. There were two issues: one to reopen rehabilitation assistance, the other to get a pension supplement.

I have great respect for what you are telling us as supervisor of the rehabilitation department, or the head person of that department, but the policies are not implemented by the individual rehabilitation officers in the way you have described to us today and in previous years, which is a big problem.

That is why I feel we are getting into a frustrating process every year, to see the board appearing before a committee of the Legislature which raises the same problems over and over again. Sometimes I get the feeling we are talking to a wall.

You might be extremely sensitive, with great respect, because you are running the ball, but again the implementation of your policies, after all, is completely different from the picture we get every year before a committee of the Legislature.

Mr. McLean: May I have a short supplementary on that point he is discussing? Are you telling me, once a person is able to go back to work, the rehabilitation continues until such time as he finds employment?

Mr. Darnbrough: As long as the person is co-operating and working with us in an attempt to return to work, then vocational rehabilitation services will continue to help that person. That is correct.

Mr. McLean: At what percentage is the rehabilitation funding?

Mr. Darnbrough: I am not quite sure I entirely understand your question. We will provide rehabilitation services and funds for rehabilitation services, regardless of the level of disability. The factor we are looking at is whether

or not the disability is preventing the person from returning to employment. There is no particular percentage for that.

Mr. McLean: Once their injury is healed and they are able to go back to work, they continue on rehabilitation funding?

Mr. Darnbrough: That is correct, as long as the disability, once healed, still restricts them in finding employment—no employment is available for them because of that condition.

Mr. Lupusella: Mr. Darnbrough, if what you are telling us today is true, then I have to reach the conclusion that the board is giving me a hard time with the case work. I appear before the board at least twice every week for appeals on that particular issue. I think the picture you are giving us today is completely different from what is implemented on a daily basis by your people.

With great respect, I am completely frustrated, and I have to assume either the board is harassing my case work, to make sure I will appear malicious before the board, or something is going wrong down there at Bloor Street East. I think we should be clear and frank among ourselves, because I feel I have been deceived by what I heard today and in previous years, and from what I am going through on daily business.

Hon. Mr. Alexander: Mr. Lupusella, if I may just intervene for a second, I think you just heard Mr. Darnbrough tell us what the policy is. Once again, I think what we have here is a case of communication at lower levels, not knowing—

Mr. Laughren: No, no.

Hon. Mr. Alexander: Just a minute. You accepted that proposition the last time, when we said perhaps there was a communications breakdown. We undertook to go back and let those at a lower level know what the problems were which we had to confront here today. This is the same sort of thing.

What I read is that you are hearing what the actual policy is from Mr. Darnbrough, but there are others, at a lower level, who apparently do not understand what the policy is, or they do not know what the policy is.

Mr. Lupusella: With respect, I did not want to tackle the issue which was raised by Mr. Mancini, but I am inclined to arrive at the same conclusion. We are playing politics with the human beings who are suffering and I do not want to see that picture in front of me. I want to lay politics aside.

We have policies which must be implemented, and injured workers have the right to get benefits from the Workers' Compensation Board. If, to

play politics, there is another scenario or spectrum which is not visible to us, then the game should be different.

Hon. Mr. Alexander: Mr. Lupusella, with all due respect, I resent you saying that the board is playing politics with the injured worker. You said it and it reminds me of a former minister, who, any time I raised questions—

Mr. Lupusella: I do not want to get into this situation.

Hon. Mr. Alexander: I did not interrupt you, sir. He used to say, "Here comes Alexander again with his bombastic rhetoric and his righteous indignation."

We are not playing games here. Your colleague, Mr. Laughren, said earlier that it seemed to him when we appear before the committee we look upon it as a very serious matter. With all due respect, in the heat of passion you may have thought it was right to say the board is playing politics with the injured worker. Let me assure you that at no time would I stand for such a thing, because I am the one who has to answer for it.

You wanted information. We are here to give that information. We are here to clear up policy, which we have done. I think a misunderstanding between the higher and lower echelons has resulted in this problem.

As I said earlier, we will go back and explain the policy to those who apparently do not know what it is, because this is your problem.

Mr. Lupusella: I know what the policy is.

Hon. Mr. Alexander: Not that you do not know what the policy is.

Mr. Laughren: You have a problem in the rehab division, I believe. I believe there are problems in the rehab division.

Hon. Mr. Alexander: I do not think there are, but I am not here to debate that.

Mr. Laughren: Mr. Darnbrough is.

Hon. M. Alexander: We are talking about one specific instance. A policy enunciation was just made and you seem to think that some others at a lower level do not know what the policy is. All I am saying is that we are going back—

Interjection.

Hon. Mr. Alexander: Mr. Di Santo, please. I will give you an opportunity, sir, but I sit here patiently listening—

Mr. Di Santo: I was gently interjecting.

Hon. Mr. Alexander: Gently or otherwise, give me an opportunity to finish, and I will be very short.

We are going back to let those involved with the process know what the policy is, because the understanding you have been given is contrary to the policy you have heard here. Is that not a fair conclusion?

Mr. Di Santo: By way of supplementary, I must disagree. It is absolutely impossible that the interpretation of the lower echelon of the board creates these problems. You know very well that those decisions are reviewed by appeals adjudicators, by the appeal board and by those who interpret the policy of the board—and they are confirmed every time.

By the way, may we have a copy of the policy? Every time we ask for a copy of the policy we get bits and pieces.

Mr. Darnbrough: The policy documents are published and are public now. You are more than welcome to see them.

Mr. Di Santo: I read that and that is why I am asking the question. I want to talk about the inconsistencies Mr. Laughren was talking about. I have seen no reference under subsection 43(5) of the act to labour market conditions. However, I see many instances when the rehabilitation department considers that a worker is co-operating and is disabled to a greater degree than his disability would indicate, but is unemployable because of the market conditions and you have cut the supplement.

Can you tell me where this would fit into your policy?

Mr. Darnbrough: There are two parts to this and I will try to go back and explain them again. We determine whether or not vocation or rehabilitation assistance is required and we help them as much as we can to find employment. There are times when finding employment becomes unreasonable, impossible or whatever, and at that point, vocational rehabilitation assistance would cease to be provided.

The decision that there is no point in continuing, for one reason or another, is made by vocational rehabilitation people in consultation with the injured worker. This decision is then conveyed to the claims adjudication area, which makes decisions under subsection 43(5), which you are talking about, as to whether or not benefits can continue to be paid.

3:10 p.m.

I am not sure whether you want me to start with my explanation of my part of the operation, or for Mr. Van Clieaf to explain payments under subsection 43(5), but clearly, if someone is co-operating in a rehabilitation program, as

described in subsection 43(5) of the act, we will be continuing to provide service for that person and I know that the supplement benefits would be continued by the claims service division people.

Mr. Di Santo: Are you saying you will continue paying, even though he cannot find a job—not because of his decision but because of the market conditions; or because one of the rehabilitation centres is saying that, because of his condition, there is not a job available in the labour market?

Mr. Darnbrough: I do not think that is the kind of thing that we are hearing from COSTI; and while we are dealing with COSTI, I think what you are suggesting is that a report from an agency like that can cause a case to be closed. In fact, that is not the situation.

Mr. Di Santo: No, I do not want you to put words in my mouth. I am saying very often you make a decision—and I can give you examples, but I want to know what your policy is. In many instances, you are making decisions against the worker when he is co-operating, according to subsection 43(5). His disability is “greater than” in these conditions, but because he has been considered unemployable because of the market conditions, you cut the benefits.

I want to know from you: is that the policy of the board or is that an aberration of the policy of the board that you are going to correct?

Mr. Darnbrough: I think we are confusing someone who is declared unemployable. There are a number of reasons why someone is unemployable. The marketplace may be one of those aspects.

As far as vocational rehabilitation is concerned, if we agree with the injured worker in some segment of the community that there is absolutely no point for the next four or five months to continue rehabilitation services because there is nothing there in the market that the worker—as we have both discovered—is capable of assuming, then rehabilitation services would be suspended for that period of time.

The decision as to whether or not the person is eligible under subsection 43(5) is one that is made by the claims people, taking into consideration the criteria that Mr. Van Clieaf has already explained. The disability has to be “significantly greater than” and take in the other aspects.

Mr. Di Santo: May I ask the claims representative?

Mr. Van Clieaf: In initially granting the award, we would satisfy ourselves that the

worker first meets that threshold question. Then, that the worker—

Mr. Di Santo: What is the threshold? Just explain to me, because I am ignorant.

Mr. Van Clieaf: The threshold question is that the impairment is significantly greater than what is to be expected. In other words, the worker cannot return to the pre-accident job or a job of comparable income.

Mr. Di Santo: Okay.

Mr. Van Clieaf: In granting an award, it would be granted for a one-year period. The worker is normally under an active vocational rehabilitation program or a medical program to aid in returning the employee to work. That supplement would be allowed to run its duration. We would receive the reports that the rehabilitation counsellor provides on a fairly regular basis. It could be—because of the employment situation, as Art suggests—that it might be unreasonable for a period of time to have a very close or a very active rehabilitation program.

A month before the term of the supplement is to expire, we would re-evaluate the case. What progress has been made from a rehabilitation standpoint? What is the worker's attitude at this stage of the game? Is it reasonable to expect—through continuing assistance—that there will be a return to suitable employment? If those things are met, the supplement could be renewed.

Mr. Di Santo: I do not know if I am too naive or I do not understand what you are trying to say. We have subsection 43(5). It does not talk about "reasonable," nor does it say who is to be reasonable. The worker? The board? We are saying that the worker is co-operating. These are the conditions set in subsection 43(5), as is the impairment of earning capacity.

Both conditions are there and the worker fits into the two conditions. You are introducing a third element, which is the availability of the job in the job market. He is unemployable because of the market, not because of his physical condition.

Are you not denying the very basis of subsection 43(5) that restricts the threshold only to the physical impairment and has nothing to do with the job market? In fact, when it is convenient, the chairman of the board, in replying to the Union of Injured Workers, recalled the opinion of J. J. Robinette who said in 1980 that only the clinical conditions must be taken into account, and no other conditions; as the Ombudsman at that time recommended for another situation.

Mr. Van Clieaf: In evaluating the threshold question, we go beyond the pure clinical picture of the permanent impairment. We will look beyond that and it is to the advantage of the worker to do so. We will look at the person—

Mr. Di Santo: You cut them off from benefits to the advantage of the worker?

Mr. Lupusella: They do not get the benefits. They do not get the supplementary pension. That is what Mr. Di Santo is saying.

Mr. Van Clieaf: The provisions of subsection 43(5), you must appreciate, are not based on the employment situation. They are based—

Mr. Di Santo: Exactly. That is what I am saying. But you base your decision on the employment situation and that is where you are wrong.

The chairman says these decisions are made at the lower level, but you are saying that is the policy of the board. You are cutting benefits to many injured workers because they fall under those conditions. If you wish, tomorrow I can bring you tens of examples.

Mr. Lupusella: Let me give you a practical example of what Mr. Di Santo is talking about. An injured worker is receiving 10 per cent disability pension for life. The pension is granted, he goes to the rehabilitation department and says: "I need your assistance because I cannot find a job as a result of my disability. I cannot perform the same kind of job which I used to perform before getting injured." The rehabilitation department takes the position that he needs assistance. I am giving you the positive aspect that assistance is not denied; although I can show the contrary. The rehabilitation department says: "You have been going around. We are not greatly satisfied. I think we have to find out your capabilities and the kind of work you can perform. We will send you to COSTI for seven weeks."

Fair enough. The injured worker goes there. People are talking to him. They find out his attitude. Reports are sent to the board on a weekly basis. The rehabilitation officer goes to COSTI, talks to the people in charge of the rehabilitation process for the injured worker. After seven weeks, the injured worker is dismissed by COSTI with the definition that he is completely unemployable. The rehabilitation department and pension department denies him a pension supplement. Why?

That is the typical case which Mr. Di Santo is referring to.

Mr. Van Clieaf: The provisions of subsection 43(5) are not intended over the long term, such as the lifetime of the worker, to deal with that issue. Subsection 43(5) is there while the worker is going through a rehabilitation or medical program to aid in lessening the handicap and to return him to suitable employment. As you may be aware, the board may fix the period. We are fixing it on the one-year term to see what can be done to assist that worker, but it is not a long-term wage-loss type concept for the duration of the worker's life.

3:20 p.m.

Mr. Lupusella: Mr. Di Santo goes further. COSTI defines the injured worker as completely unemployable, based on the seven-week training process at COSTI. Then he goes around searching for a light job, which meets one of the criteria that the individual is co-operating in looking for a light job on the market.

The board is not satisfied this particular individual meets the criteria, because COSTI came to the conclusion the individual will never find a job on the labour market. He is completely unemployable for different reasons, which are based on the contents of a report sent from COSTI to the Workers' Compensation Board.

Why is this man unable to get a pension supplement when he is out on the street knocking on employers' doors, looking for a light job? Why is the supplement not given to this injured worker? Is the 10 per cent disability, which is relatively low, playing a big role in the decision-making process of the board to deny the supplement? Is the seven weeks' training process of COSTI, which defined the injured worker as completely unemployable, one of the impediments to deny the supplement pension to the injured worker?

Let us be clear on what the board is doing in this typical case, which is the reflection of thousands of cases.

Mr. Van Clieaf: In answer to the first part of that question, the degree of clinical impairment—10 per cent as you suggest—has nothing to do with the issue. The issue is, does the 10, 20, 30 or 40 per cent impairment prevent the worker from returning to his pre-accident job? The 10 per cent is not relative to it.

Mr. Lupusella: That is the main problem, Mr. Chairman. I wrote a letter to the Minister of Labour (Mr. Ramsay), because of my personal frustrations over people with a 10 per cent disability pension. No one got a supplement from the board. He replied on March 29, 1983, to a previous letter, which states:

"Dear Mr. Lupusella:

"I am writing further to your March 24, 1983, letter, regarding the two questions you have presented, related to workers' compensation.

"First, an injured worker who has even 10 per cent or less permanent partial disability will be considered for rehabilitation at his or her request, which requires the individual either to write to the board requesting this or visit the seventh floor of the board's offices at 2 Bloor Street East.

"Additionally, temporary supplementary benefits will also be considered for that individual. The criteria used to make this decision are:

"(a) Assessment of the worker's earning capacity;

"(b) the worker's co-operation with the rehabilitation; and

"(c) proof that the worker is making an effort to look for employment."

From my personal experience, all the injured workers with 10 per cent disability pension or less never got supplement pensions. I think the reason the compensation board is coming to the conclusion their earning capacity is not greater than the degree of disability is based on the percentage of disability which is given to the injured worker. The degree of disability is really low and the position taken by the board is, "Go and look for a job on your own, because you are not disabled enough and you are able to do the job which you used to do."

That is their own interpretation to justify the denial of a supplement pension to those injured workers with 10 per cent or less disability.

Mr. Van Clieaf: Mr. Lupusella, I cannot tell you right at this minute exactly how many supplements we have issued over the past few years to workers with 10 per cent disability or less.

Mr. Lupusella: Then give us a breakdown. I am an unlucky member who is faced with the bureaucratic processes of the board.

Mr. Van Clieaf: I assure you, I will make those numbers available to you.

Mr. Laughren: I wonder if I could help with a quote. It is the coming together of Mr. Van Clieaf's and Mr. Darnbrough's empires that has conspired to do this to these people. Here is a quote to the same woman I was telling you about:

"Knowing the fact that you have been unable to secure suitable employment despite the extensive assistance you have received through our rehab branch, it is now felt that your current situation is more so the result of the geographic

location you reside in than the result of your residual back ailment."

What has the geography got to do with it? She did not move from Sudbury to Moosonee or Shining Tree or even Chapleau. She was working in Sudbury, was injured in Sudbury and continued to reside in Sudbury, which is a major metropolitan area in Ontario. How can you justify that? It has nothing to do with anything that you should be concerning yourself with, other than continuing to pay the supplement.

Mr. Darnbrough: The issue that should be dealt with is whether or not it is realistic for a rehabilitation counsellor to continue to help this lady. That letter dealt with that.

We have gone through a long and arduous process with this individual, exploring all of her interests, her abilities, her aptitudes—

Mr. Laughren: She did too.

Mr. Darnbrough: She did too. We looked for employment for her and she looked for employment herself. In spite of all of that effort, she has come to the conclusion and we have come to the conclusion that as long as she continues to live in that geographic community under the current economy of that community for whatever—

Mr. Laughren: You have not guaranteed her a job anywhere.

Mr. Darnbrough: That is right. There is no reason for us to continue to do that at this time. You referred to the geographic statement in the letter. That is a legitimate closure as far as rehabilitation is concerned. It is a reality—not a happy one—that some people are not employable in the community in which they live.

We might offer to relocate that person to another community: "In the event a job became available, would you be willing to move?" For all I know, this lady very well might have said, "Yes, I will, if that happens to come up." I do not know, but I assume the answer was no in this case, because I also assume the case was closed as far as rehab services are concerned for geographic reasons.

Mr. Van Clieaf can correct me, but I do not think it is a common, everyday occurrence to automatically discontinue a supplement every time there is a closure under a geographical community description on the part of a rehabilitation counsellor.

Mr. Laughren: But you do understand this person became unemployed directly as a result of a disability caused by an accident on the job?

Mr. Darnbrough: Yes.

Mr. Laughren: You understand that?

Mr. Darnbrough: Yes.

Mr. Laughren: That is why the person ran into trouble in the first place and ended up with a permanent—

Mr. Darnbrough: The disability is not entirely at fault for the geographical and employment conditions in the community in which this lady lives.

Mr. Laughren: You will not deal with the issue, will you? You are avoiding it.

The person became totally temporarily unemployable and was on a 100 per cent disability pension for a while. If I recall correctly, she was then assessed as having a 15 per cent permanent disability pension. I assume that person would still be at that place of work to this day, without any assistance from anybody, if she had not had that accident. Therefore, in my head, you have an ongoing responsibility to that person because she would still be working.

Mr. Darnbrough: That job is no longer available to her.

Mr. Laughren: That is correct.

Mr. Darnbrough: Then the next thing to do in reality, Mr. Laughren, is to look for another job—

Mr. Laughren: I agree.

Mr. Darnbrough: —and if she is not prepared to leave that community and that geographical—

Mr. Laughren: You do not even know that was ever an option.

Mr. Darnbrough: I am just taking what you read to me in the letter about the geographical option, and I am telling you what normally is considered before we come to that kind of conclusion.

Mr. Laughren: There is a high unemployment rate in Sudbury. That is what you are really saying.

Mr. Darnbrough: There may very well be.

Mr. Laughren: That is her fault, is it?

Mr. Darnbrough: It is not her fault at all.

Mr. Laughren: No. Surely to goodness this person has that permanent disability strictly as a result of an accident on the job.

Mr. Darnbrough: Yes, but we would have looked at things such as the possibility of retraining that person for another job—something she was capable of doing that was available in the Sudbury area. I am not telling you anything new.

Mr. Laughren: I am afraid you are.

Mr. Darnbrough: We would have gone through all of these stages with this person and

come to the conclusion that it is not a viable option.

3:30 p.m.

Mr. Laughren: Mr. Darnbrough, I am glad to hear you say that. Let me give you another example.

I know a miner who was working, was hurt and went back to work on a light-duty job. He worked at that light-duty job for about five years, maybe longer, and then lost that job because of a shuffle in the allocation of work at Inco.

He went to the board and said: "I need some rehabilitation assistance now because I cannot go back underground. I cannot do heavy work any more and I have lost the light-duty job I had."

Do you know what your precious rehabilitation department said to him? They said: "Oh no. That job you have been doing for the last five years now has become your line of work, your ordinary, full-duty work." Do you think that is fair? We have been banging our heads against the wall.

Mr. Darnbrough: No, I do not. If you have a decision like that from the Sudbury area, I am sure the Sudbury area people would like an opportunity to look at it and explain it to you. I cannot. That is not the current policy of the division.

Mr. Laughren: I do not think it is the only decision that has been made in terms of people being reassigned what we call "normal duty work."

Mr. Darnbrough: I tried to convey this morning as far as entitlement to services is concerned—whether it is in the initial increments or whether it is several years down the road—that as long as the industrial injury is the root problem of the unemployment, then vocational rehabilitation services can be made available to the individual. That is what happens right now.

Mr. Laughren: With that clock ticking away in your head though, at some point—like Mrs. Smith—will you cut it off? This man's name is Salisbury. I want this to be noted. When I send the copies of our conversation today to the people who have made the decision they will recognize who you and I are talking about.

Mr. Di Santo: What you are saying is that you are cutting off that person because, after a certain period of time, the board has decided it has fulfilled its obligations. That has nothing to do with the conditions set out in subsection 43(5) which says that impairment of earning capacity should be greater than is usual for the nature of the injury, and provided he co-operates—there are

also many women involved—and is available for medical or vocational rehabilitation program which, in the opinion of the board, would aid in getting him back to work, or provided he accepts or is available for employment which is available and which, in the opinion of the board, is suitable for his capacity—in other words, it must be that he is available for vocational or medical rehabilitation and accepts work that is available.

In other words, as I understand the act, if he does not conform to these conditions, then you have the right to cut him off. But you are cutting that person off, not because he does not accept work that is available, but because he is available for work that is nonexistent. That is contrary to subsection 43(5) of the act. How can you justify it?

The act does not talk about the geographic location. You can introduce other elements—race, religion, any other type of element. You do not have that flexibility, or have you?

Mr. Darnbrough: No, we do not have that flexibility. In my opinion, we do not.

I have tried to explain that if there is no work there which the person with his disability can handle, then we have to look at other options such as training, such as improving that person's abilities for the jobs which might be available somewhere in the community.

People are working in the community, the entire community is not unemployed. Vacancies occur in every occupation, in every community, every day of the week. Those are the positions we are looking for. If we are fortunate enough to be dealing with an injured person who has some of the skills which are transferable into those jobs, then we will make arrangements for that to happen. We will make arrangements to help that person acquire those skills.

But if they have come to the conclusion: "I have my disability. These are the only kinds of work I can do. I do not want to move from this community. I am not interested in going back to school or studying other things," then we take the position that as far as vocational rehabilitation is concerned there is no point in continuing and the case is closed on that basis.

Mr. Di Santo: I do not know of a case of that kind—

Mr. Darnbrough: I do not either.

Mr. Di Santo: —but I know of cases where the worker is completely available and which do not involve the conditions you are now trying to apply. Putting the onus on the worker is unjustifiable.

In the case where a worker is available for a job in his community you are cutting him off, despite his ability, because the unemployment situation is high or because he is considered unemployable in that marketplace.

Mr. Darnbrough: I think I understand what you are saying, Mr. Di Santo. I do not know of any other answer I can give you at this point other than, as we have done in the past, to observe your concern, study the issues and see if there is some mechanism for addressing the real problems faced each day by you, by counsellors and people at the board who are genuinely interested in what happens to these people and the possibilities for helping them to recover from their disabilities and return to the work force.

These situations exist. I do not know of any other way to answer your query than what was suggested.

Mr. Di Santo: Can you explain to me, just to make things a little bit less difficult for many injured workers, why it is impossible for us as agents or representatives of injured workers to call the rehabilitation department and have them reopen the file? Why should the workers have to come there personally, with all the intimidation they feel in the situation? Why is it impossible for me or any other representative to call rehabilitation and say, "Let us reopen the file"?

Mr. Lupusella: Why do we get an answer like: "If you are not satisfied, launch an appeal. I do not have anything to do with the case any more"?

Mr. Darnbrough: I do not like that either. I would like to think any counsellor who was involved in a case would take the time to explain the conclusion to you as a representative after the fact. I can assure you that is the counsellor's role with the injured party at the time. If you are involved at the time the decision is made, then you should be informed.

Mr. Di Santo: Reopen the case.

Mr. Darnbrough: With respect, there are some things we would really like to know before reopening a case for rehabilitation services. We would like to have an opportunity to interview the disabled person, to find out the limits of the disability, to find out what opportunities there are for immediate return to employment and so on.

If a phone call could make the world happier, reopen the case and start service again, that would be nice; but we would first like to sit down with the person and determine just how much of a problem we are dealing with, determine the situation and if there are some short-term things

that can be done. I submit to you that the only way to arrive at that kind of conclusion is to have an interview with the injured worker and get the facts.

Mr. Lupusella: Mr. Darnbrough, with respect again, I do not think you are reading the morale and the tone of your department. You mean well to us, but the reality down there is completely different.

What kind of justification do you have for the fact that I was able to get two people, whose claims were completely closed by the rehabilitation department, who were receiving welfare, to meet the vocational rehabilitation counsellors in my office and now those two people are working? Do you have any justification of that? Do you want the names of these two people?

Mr. Darnbrough: By all means, I will look into it. I am not—

Mr. Lupusella: Why am I supposed to do the work of the board? That is my question.

Let me give you a true picture of what is going on—and I am talking to the chairman of the board. On June 13, 1983, I received a letter from a person who was receiving a 10 per cent disability pension. Her claim had been completely closed by the rehabilitation department two years before.

She came to my office and I said: "Under the act you are entitled to rehabilitation. Go to the rehabilitation department and ask for their services. You might even be entitled to receive a supplementary pension. You have to cooperate." I explained the law and so on.

She came back to my office and she was crying. She was horrified.

She sent me a letter dated June 13, 1983. She recorded the content of her conversation with the rehabilitation officer.

He asked, "You went to the MPP?"

The answer: "Yes. I had a conversation with what's his name. I always forget." I do not claim to be so popular with the people working at the board.

The officer asked, "Do you want to work full time for less than \$8?"

She answered, "Yes."

3:40 p.m.

He checked the paper. It was really fast. It was just a five-minute conversation, then she was released.

"I have a job for you far out in Scarborough, packing parcels, but I do not think that is right for you. There is a floor cleaning job."

"Floor cleaning?" the lady answered. "When you are looking for a job, you have to go to four or five places a day. One place is not enough."

Of course, she had restrictions. It was a back injury, so she made a comment about the cleaning job. She said, "With my back injury, I do not think I will survive with this cleaning job."

"With your restriction, it is very hard for us to find a job for you."

"Why do you not restrain me?" the lady asked the rehabilitation officer.

"Not you. Only if you had lost an arm or leg. Why do you not appeal? What have you been doing in the last two years since you left the post office?" That is where she used to work. So for two years she was seeking employment, no supplementary pension, no assistance from the rehabilitation department.

When she came to my office, I explained the law and said, "Go and look for a job."

She said: "I have been looking for a job for two years. I am always looking for a suitable job. I filled out application forms with Bell Canada and Canada Manpower. I went to offices to get a job as a receptionist, but I need typing."

"What were you doing when you had your accident?"

She explained that she was working in the post office on primary cases. "I had final cases as well, but for the last three years I worked on primary."

"Do you still remember the street where you worked?"

"Yes, 969 Eastern Avenue."

"There must be a union in there. How long had you worked for the post office?"

"Eight years."

"I will get in touch with you."

Let me tell you, she is receiving a supplementary pension now after winning an appeal before the board. So, what kind of policies are implemented on this kind of conversation with people going to the rehabilitation department to receive assistance?

Are you able to deny that the percentage of disability is playing a big role in your not granting a supplementary pension when people are receiving 10 per cent disability pension? I think this is the main reason why a supplementary pension is denied to injured workers.

Perhaps you have an answer; that is the true picture of the rehabilitation department.

Mr. Darnbrough: I think Mr. Van Clieaf has attempted to explain to you that the percentage of disability has no bearing whatever on the payment of a supplementary award.

Mr. Lupusella: Let us not fool around.

Mr. Darnbrough: With regard to the letter you have, I would like to make it clear again that if that is the action of one of our counselling people, it is contrary to the counselling policies and procedures that are in effect. I know you will bring it to my attention so I can deal with it and deal with the individual who is responsible for it.

You mentioned as well, I think, that there are times after two or three years, when you have dealt with people whose service with vocational rehabilitation has been closed, that they have been reinstated after your involvement in the case. I think at times perhaps you underestimate your effect on people. We have noticed a number of cases that come to us after having been closed for some time, where the attitudes of the individuals, their interest in returning to employment or motivation for seeking employment, changes considerably after they have had discussions with yourself and with other people who represent them.

There are times when we fail to motivate people appropriately and as a consequence the file becomes closed. The category is "unco-operative." The person is not making an honest effort at returning to employment.

Then there are times when for some reason or other someone else gets to them and they decide: "I cannot sit around like this for two years any more. I must make a genuine effort. I must attempt to co-operate with my rehabilitation counsellor and all the others in the community who are capable of helping me. I will go back to the Workers' Compensation Board and tell them that."

It is to be hoped you will experience this again and again, and that we will be reopening these cases and attempting to provide service for these people.

Mr. Laughren: If you are in the right geographic location.

Mr. Lupusella: Again, with respect, I think the chairman of the board is sincere in making presentations before this committee, but he has to know what is going on down there.

I have another appeal coming up about another injured worker receiving a 10 per cent disability pension receiving assistance from the rehabilitation department during a training assessment of more than 14 weeks. Then a light job was found with an employer in relation to a sponsored program between the WCB and the employer.

The employer decided to give him \$20 a week when the assessment program was over. The man was receiving just his disability pension and \$20

a week from his employer. He came to see me at my office. I said, "Get in touch with the rehabilitation officer because you deserve a wage loss supplement and they would be pleased to look after it."

He went down to the board several times but there was no action. The man quit his job because, as he stated, "I cannot survive on the \$20 a week given to me by the employer." He is on the street. He almost lost his house because he has to pay a mortgage on it. His wife is unemployed with three children.

I do not want to mention the name of the rehabilitation officer. This is different from the previous case.

There is a regular routine going on. Is this happening just with my office or with everybody? What is going on? Give me a clear explanation. I am spending more time at the WCB than in the Legislature.

Hon. Mr. Alexander: Mr. Lupusella, I sit here with a great deal of interest. Believe me when I say you have mentioned two things that struck me.

First, you were insistent that those who have a degree of impairment of 10 per cent or less are just thrown out to pasture. Mr. Van Clieaf is going to look up that statistical information, but I think we would all be interested in knowing whether what he will find can lead to that conclusion.

The second point we found extremely disturbing is the fact that you quoted from a letter that Mr. Darnbrough said he does not accept as being board policy and he, of course, questioned the attitude of that particular worker.

Mr. Lupusella: Deceived, Mr. Chairman.

Hon. Mr. Alexander: I do not think we are trying to deceive you, Tony, believe me.

Mr. Lupusella: No, not by intent.

Hon. Mr. Alexander: Let me be frank. Something like 3,000 people work for the board. We have problems with a few. You are bound to when you have an organization that big. I am not trying to make an excuse for them.

I am glad that you bring it right to us, if that is the kind of attitude some of our colleagues have—and I venture to say a very small proportion of the board would have that attitude, given the fact that we have some 3,000 persons.

I know that Mr. Darnbrough has given his undertaking that he wants to know who that rehabilitation counsellor is.

Mr. Laughren: Oh, Mr. Chairman, this is really nuts.

Hon. Mr. Alexander: Will you give me a chance?

Mr. Laughren: No. You were here when the Canadian Union of Public Employees' brief was quoted. There are problems in the rehabilitation department. You know there are problems in there.

Interjections.

Mr. Chairman: Order, please.

Mr. Laughren: You know there are problems in rehab. Stop trying to pretend that you do not.

Hon. Mr. Alexander: I do not accept the CUPE brief and I say there is no morale problem.

Mr. Laughren: Fine. There are no problems.

Hon. Mr. Alexander: I discount the CUPE beef entirely.

Mr. Lupusella: Will you discount my allegations as well?

Hon. Mr. Alexander: No, sir, I am trying to say—

Mr. Laughren: How come they are related?

Hon. Mr. Alexander: Give me an opportunity to finish. You have brought some extremely important cases involving attitudes to our attention.

Mr. Lupusella: How many cases?

Hon. Mr. Alexander: Just give me a chance at this, then I will shut up.

You have brought me a particular instance which Mr. Darnbrough finds objectionable. I find it objectionable, and I know the rest of my colleagues do as well.

Having said that, I know he is going back to see just who this person is and spread the word that this is not the type of humanization, if you will, that we want. You have brought the instance to us. I do not know how far this permeates at the board in terms of the rehabilitation department.

Interjection.

Hon. Mr. Alexander: I know it is not. It is not fair to pick out one, two or three cases and say, "This is the general picture of the board."

Mr. Lupusella: Is the supplementary pension the same thing?

Hon. Mr. Alexander: Give us credit for a little assistance.

Mr. Lupusella: We were talking about this just the other day, Mr. Chairman, with respect.

3:50 p.m.

Hon. Mr. Alexander: Give us credit for something. We do not mind the criticism, but

give us credit for something. We are here to help. You said there is a problem of attitude with at least one. You figure it is going even further than the one.

I say give us an opportunity, as Mr. Darnbrough has indicated. He is not only going to go back to that one person, but I know they hold meetings periodically and we are taking back concerns you have expressed, in particular about the approach taken by some of our rehab counsellors. That is all we can do.

I thank you for bringing it to our attention, particularly the other one. If you believe that any time a person has 10 per cent or under, the case is just thrown out the window and put out to pasture—

Interjection.

Hon. Mr. Alexander: I hope that is not a fact and I would resent it if it was.

Mr. Lupusella: I will bring all the cases upstairs, at least 30 cases.

Mr. Shymko: On a point of order: It concerns me when allegations are made. I have made some criticisms; you were a witness to concerns I have expressed here in committee. It was pointed out that they may be isolated cases; I do not know. I would hope they were isolated cases as I would hope that your concerns were isolated cases, but if there is a willingness to provide the information and to back it up with facts, I would like to have that information shared with all of us.

I would like to see a copy of that information. The 10 per cent criterion which you mentioned certainly would be unacceptable to me, if such a policy exists.

Would it be fair, Mr. Chairman, if the information were given to all members of this committee when it is provided?

Mr. Lupusella: Again, Mr. Shymko, with great respect, I think the problem goes beyond the particular case I am referring to, although it backs up my criticism. If you want, come to my office and I will show you all the cases I have.

Once again, why should I get into the specific claim number to have it given more attention by the peers at the board level, when I think, and I am extremely convinced, that this is a general problem?

Mr. Chairman: Are you satisfied you have made your point, Mr. Lupusella, that you feel there is a concern and that the board, through the chairman and these other officials, hears your point and will presumably, hopefully, clear that up? I am sure if it is not cleared up, we will hear about it again next year in this committee.

Interjection.

Hon. Mr. Alexander: You have my assurance that the particular problem you have put before us right now will be looked into.

Mr. Laughren: If nothing else, the message is there from us that we think there are problems in the rehab division. We really do. We think people are not getting a fair shake from rehab. It is as plain and simple as that. It manifests itself in the examples we have been giving you. We have given you a range of examples, not just one kind of example.

Hon. Mr. Alexander: I appreciate the concern that has been registered with respect to certain areas of rehab.

Mr. Gillies: I wonder if I might make one small suggestion. We all work in this area and act as advocates for our constituents. I have run into problems from time to time. I would also say I have had many cases go through smoothly and be resolved. One thing you should always do, if you run into a problem that is getting snagged at lower levels, is write to the chairman immediately; contact the chairman.

Mr. Lupusella: You have to go through the appeal system and that is the damned thing that is bothering me. There are certain things that can be corrected, but when a decision is rendered by the claims review branch, there is no way the decision will be changed unless you go and appeal before an adjudicator or before the appeal board.

It is not a question of getting in touch with the chairman if I have a personal interest in a case and am trying to intervene. When I know for a fact that the majority of the cases with which I have been dealing are all affected by the same problem, then I think there is something wrong going on.

Mr. Chairman: I trust that your point has been—

Mr. Lupusella: But we have settled the issue, I guess.

Hon. Mr. Alexander: Your point is well taken. Do not think we are ignoring your concern. We are not. You have been very dramatic, if I can use that expression, in bringing your concerns to our attention and I appreciate it.

Mr. Lupusella: I do not like the paternalistic approach of getting in touch with you. I think, as the chairman stated, and I am sure he agrees with our position, which is shared by Tory members as well, we are dealing with matters of rights here. If there is a problem—

Hon. Mr. Alexander: You know you can always write me. Write anyway, that is the bottom line.

Mr. Lupusella: I try to make your job easier, Mr. Chairman.

Mr. Chairman: Moving on, Mr. Laughren.

Hon. Mr. Alexander: The more I know, the better I feel, too. I can always talk to someone else.

Mr. Laughren: I want to move on to other areas, but before I do, I have some quick comments. One, I do not have any sense that you can put the blame on the lower echelons at the board. Responsibility is at the top. I am sure Mr. Darnbrough understands that. That is why he is in the position he is. He understands the line of authority.

Hon. Mr. Alexander: Me too.

Mr. Laughren: You too, right. That is why I do not like—

Hon. Mr. Alexander: That is why I am glad you bring it to my attention.

Mr. Di Santo: The rehabilitation counsellors have incredible case loads.

Mr. Laughren: I am not particularly happy with the chairman of the board's comment that he attaches no credibility whatsoever to the Canadian Union of Public Employees' brief. If you want the problems to be perpetuated, fine. Mr. Darnbrough says the individual counsellor should take more time to respond to the person when we know the rehabilitation counsellors have too much to do. They have too much work to do, too many cases.

Hon. Mr. Alexander: Let me put it this way: I know all about that brief, how it started and what is in it. I stand by what I said.

Mr. Laughren: That is what bothers me.

Hon. Mr. Alexander: I stand by what I said. Having said that, we have not ignored it.

Mr. Laughren: I will think about that.

Mr. Chairman: Are we ready to move on to another topic?

Mr. Laughren: Yes. On the example I used of that woman, I think the rehabilitation counsellors arranged one or so interviews for her. The rest was done by herself. It was not a massive rehab effort after which they gave up; it was her own massive effort.

Anyway, I wonder if I could move on to a couple of issues before we adjourn today. One is that whole question of the once-only 10 per cent

rule. I do not know who can explain it to me here; maybe Mr. Van Clieaf can, God save us.

That is section 42 of the Workers' Compensation Act. There are two subsections in there. You took out one, the 12-month period, once-only 10 per cent, but you did not take out the 24-month and the 36-month sections, subsections 42(4) and 42(6). Is it possible, in the next 35 minutes, to explain your position on that particular section?

Mr. Van Clieaf: I will try.

Mr. Laughren: I am telling you, I would not ask the chairman to.

Hon. Mr. Alexander: We went through this the last time, Floyd, and I know you wrote a letter to me.

Mr. Laughren: I still do not understand it. So help me, I think it is discriminatory.

Mr. Van Clieaf: Let us start off with the fact it is an adjustment to recognize inflation for temporary disability payments. When a worker has been on temporary disability payments continuously for 12 consecutive months, the worker is entitled to have the benefit payment rate increased by 10 per cent, so long as such an increase would not take him over the ceiling level provided, currently at \$25,500.

If the worker continues on benefits for another consecutive 12 months, he is entitled to an additional 10 per cent. If he continues on for an additional 12 months, he would get nine per cent. If we are up to the 49th month now, or 48th month and a day, he would get another five per cent.

Mr. Laughren: Legislated increases.

Mr. Van Clieaf: All right, those are the legislated increases. They started July 1, 1979, and they run through to July 1, 1983, at this stage of the game.

Okay? Now for the subtleties beyond that. Let us say a worker got 12 consecutive months, and maybe he was off for 15 months and then returned to work, then he had a further layoff. Once you had increased the benefit rate by the 10 per cent, you would tack that on to the original earnings rate. Once the worker receives it, he always gets it, as part of the original earnings basis.

If he was off work for another 12 months, he would get an additional 10 per cent. Essentially, the way the legislation reads, for every 12 consecutive months, so long as there is a break in between, you can get the 10 per cent. If it is consecutive and runs from month one right through to month 49, you get the 10, 10, nine and five.

Mr. Laughren: Right.

4 p.m.

Mr. Van Clieaf: I will be the first one to agree with you that it is awkward, because at the time it was introduced inflation was running up in the 10 per cent range and one could argue that if the worker—hopefully there are not very many who are on the 36-month to the 48-month—however that worker would get an additional five, whereas the worker who had an accident in 1981 and just gets the first 12 months, could get a 10 per cent.

That is a little bit inequitable. It does not relate to specific times by the calendar, or years by the calendar; rather it relates to percentages that were quite appropriate at the time they were passed. But they do not really make a lot of sense over the whole term from the time it was started until 1983. But once you have had them added to your rate, they are a permanent part of the rate.

We give the worker credit, whenever the case might be reopened, to add those to the earnings, and they fall due on a regular basis as each case comes due for its 52nd week. I do not care whether it is the second one or the third one, we get a notice that they come out; we pull the file and we adjust the benefit rate by the appropriate percentage. Does that help in less than 35 minutes?

Mr. Laughren: I am going to wait for the printed copy of Hansard, and I am going to attempt to digest it.

Mr. Van Clieaf: You know that I have written to you on that one in the past. I will pull it out and send it to you again.

Mr. Laughren: I want to move on, Mr. Chairman, to talk just for a moment about board doctors. I am so pleased Dr. Mitchell is here. Not that I think the medical empire needs to be enhanced at the board, but if I were involved in Mr. Van Clieaf's area, I would be somewhat jealous at the way in which Dr. Mitchell's people are moving in and making decisions on his behalf, because the medical profession, really and truly, has become the adjudicator of the board.

What is bothering me is that I have a sense sometimes that the people who are making "specialist decisions" are not specialists in the areas in which they are making decisions. That bothers me, especially the orthopaedic area where it is terribly complex, and medically probably the most difficult area for the board. I think you have a Dr. Gray who is an orthopaedic specialist, do you not? He is a consultant to the board?

Dr. Mitchell: What is his first name?

Mr. Laughren: No, no. He is in respirology, sorry.

Dr. Mitchell: Cameron Gray.

Mr. Laughren: Yes.

Dr. Mitchell: Yes, I know him very well.

Mr. Laughren: I am sure he will be of enormous assistance to Dr. Stewart as he attempts to carry out his duties.

Dr. Mitchell: Yes. They work well together.

Mr. Laughren: I wonder whether you would have a comment on that whole area of non-specialists making decisions in specialist areas and the role of doctors being adjudicators, whereas, it really should not be the role of a doctor to adjudicate the claim because the doctor is dealing with the medical aspect of the claim and nothing more. It is just like the claims and rehabilitation people. You have a social services division at the board, I think, but I do not believe that the board uses it very much. It goes its own merry way without referring them. Anyway, I will go back to the medical question.

Dr. Mitchell: That is an interesting subject you open, because, as you know, there are strict rules on what the licensing body calls a specialist. But, as I alluded to with one of the other speakers yesterday, the fact you may become expert in the field without a post-graduate degree should be recognized in regarding you as a specialist and making specialist decisions.

I said yesterday you do not have to be an orthopaedic surgeon to know how to assess and treat a back, and the profession accepts this. There are many people who look at back injuries. There are the rheumatologists, there are physiatrists, all different groups of people.

Mr. Laughren: Chiropractors even.

Dr. Mitchell: Chiropractors even. And some of them do a very good job, as you know.

Mr. Laughren: Yes.

Dr. Mitchell: But if you are going to be operated on and someone is to wield a knife, then you do need an orthopaedic specialist.

My view on this—and I have spent close to 30 years teaching undergraduate medical students, and I have examined with the Royal College of Surgeons for seven years, so I know a little bit about what is required to become a specialist.

My view is that we cannot attract all the people we want so that the board would be able to say that for a particular problem we are going to have

a specialist in that field. So what can we do? We have to train the people on site; so we do.

Many of these people are very good doctors who have had good general experience. They get with the board, they train themselves. We continue their education, we send them to meetings, and the opinion they give is based on a lot of experience and becomes really quite expert; if you like to use the word "specialized," that would be appropriate.

I think what we are saying here is that surely it is nice to have a neurosurgical degree if you are going to take out a brain tumour, but you do not have to have a neurosurgical degree to be able to diagnose and advise treatment and recognize treatment, treatment control, on neurosurgical problems.

Mr. Laughren: Well, Mr. Van Clieaf, I really did try to protect your turf. I am doing what I can to keep the doctors out of the adjudication field.

Mr. Van Clieaf: Adjudication decisions do rest with the adjudication branch. We do use the advice and assistance of the medical people to help us make those decisions, but the responsibility for the decisions does rest with the adjudication branch.

Mr. Di Santo: Yes, we know the price. I recommend two per cent and then the adjudication branch gives three per cent. You know that.

Mr. Sweeney: May I ask just one question for clarification? In a situation where a client's doctor, a specialist doctor, has given you a report that identifies a particular problem, and then your nonspecialist doctor gives you a report which is in conflict with that, whose do you accept?

Dr. Mitchell: We would send it to a third specialist to resolve that problem. That is an arbitration problem in my view. If one of our experienced practitioners comes up with a different view from an outside specialist and we feel there is a real problem, then we will seek the opinion of a senior person in the appropriate field, preferably a university-ranking person so we can get what we think is the best opinion.

If we are still unhappy, or perhaps the original specialist signifies that he is unhappy, we are prepared to get another opinion. But we do not make an arbitrary decision. We will seek arbitration from peer review.

Mr. Sweeney: But when we get a review file just prior to going into an appeal, there is no reference to that. The reference is simply to the medical evidence that was submitted on behalf of the client and the medical evidence given by the board doctor. There is nothing else.

Dr. Mitchell: You may find that that board doctor is a consultant who is not actually paid by the board, but attends the board on various consultation sessions and is really a very senior member of the profession. I think you have to be careful. Dr. W. R. Harris, for example, who is a senior orthopaedic surgeon at the University of Toronto and the Toronto General Hospital, is a consultant at the board. Now when he gives an opinion about an issue, it may well conflict with an outside doctor. He is not a board doctor, if you want to regard him as a full-time employee of the board. He is one of our consultants and a very experienced one.

Mr. Sweeney: But, given the fact that he is your consultant and is paid by you on some kind of a regular basis, even though not fully employed by you, he really could not be considered as independent at the board.

Dr. Mitchell: I do not believe that is so sir, no. He is an independent person. He is paid a consultation fee only, which commits him in no way at all to being biased in any way. He is being asked to offer an independent opinion for which he has been paid a consultation fee.

If you went to his office you would have to pay a consultation fee. What the board does is send the patient or ask the doctor to come, usually to the hospital rehabilitation centre but maybe to the main office, and pay him a consultation fee. This is perfectly reasonable. That does not mean he is giving an opinion which is biased in any way towards the board.

Mr. Sweeney: If I follow you correctly, when there is a conflict between the two, you decide who to ask for a third opinion? That is the practice?

4:10 p.m.

Dr. Mitchell: If Dr. Harris has been the arbitrator between the original view and one of our full-time doctors, and we have referred it to Dr. Harris for arbitration, then it would be up to us to decide who we should believe. That is a fact of seniority, experience and what we in the medical profession believe is the better opinion.

Mr. Sweeney: Would you accept a reference from the client's doctor to another specialist in the field for a third opinion, or is it your prerogative, and do you hold to that prerogative, that you will decide who the third opinion will come from?

Dr. Mitchell: No, I do not personally make that decision. You are starting to talk of appeals here, are you not?

Mr. Sweeney: Oh, yes. Very definitely.

Dr. Mitchell: We do not often see those opinions that have gone to appeals.

Mr. Sweeney: You realize that in most cases—almost all, minus one—the appeal is based upon medical information brought before the board that was not previously available, at least not in that form. In other words, the medical opinion in almost all cases—I would say in my experience 99.9 per cent—is the turning point for the appeal.

Dr. Mitchell: Yes.

Mr. Sweeney: Therefore it is critical.

Dr. Mitchell: It is critical, and I believe it should be responded to by our medical staff or by the appeals branch. They should look at what they have been given and then get someone else's opinion.

There is a saying in the profession that if you ask 10 surgeons, you will get 10 opinions. You have to recognize that people do not always agree. If a new piece of medical evidence is the basis of an appeal, then I think it is very reasonable to have that looked at by yet another person, whether it is a review panel, a medical review panel or someone the board wants to select. I think that is just and that is reasonable.

Mr. Warrington: I wonder if I might interject on Dr. Mitchell's response to Mr. Sweeney, vis-a-vis the appeals.

About two years ago, the Office of the Ombudsman was not happy with the doctors we were selecting for outside opinions. We talked about formulating a medical review panel through the Ontario Medical Association. Dr. Elgie was Minister of Labour at the time. With his co-operation we worked with OMA, but unfortunately we were not able to resolve our problems.

It became a very serious matter, because we had a number of medical cases that had to be resolved. The Ombudsman submitted to us a list of about six or eight doctors in each of the specialties required: neurosurgery, orthopaedics and so on. We also submitted a list to the Ombudsman. They scratched certain doctors who were unacceptable to them and we did the same.

We finally came up with a list of about five or six doctors and we now use those doctors, particularly on Ombudsman's cases and sometimes in normal appeal cases. The Ombudsman and ourselves have an agreement, although it is not etched in stone, that we will agree with that final opinion. We have resolved many cases with the Ombudsman on that.

Does that assist you at all?

Mr. Sweeney: Yes. Can I take it one step further then? In cases where there is a genuine and an honest conflict in our situation, could we refer them to that doctors' list as well? Do we have access to that?

I raised the question for obvious reasons. In far too many cases it is our perception, belief and experience that a negative decision on behalf of one of our constituents is literally nonappealable because a doctor who the board either employs or has chosen has made a decision. We just cannot go any further. We can get outside opinions, but it does not do any good.

Dr. Mitchell: Under sections 21 and 22 the employer has a right to send an injured worker to a doctor of his choice. That section of the act has been there for some time but it is inoperative. There is one section of the act that says to go by the regulations; there are no regulations, so we have considered that section of the act to be inoperative.

However, in 1979 a Supreme Court of Ontario case involved a company called Welland Forge. It has become known as the Welland Forge case. The judge said that in spite of the fact that subsection 21(2)—perhaps I should read it: "A worker shall not be required at the request of his employer to submit himself to examination otherwise than in accordance with the regulations."

As I mentioned, there are no regulations, but the judge in this Supreme Court case said: "I do not care about the regulations. The intent of the act is very clear." Therefore, an employer has the right to go ahead and have that employee examined by a doctor of his choice, paid for by the employer. That Divisional Court decision was not well known until about a year and a half ago when a lawyer representing a number of employers in this province picked it up and started exercising it. It has now become fairly well known throughout the province. Professor Weiler does not include that section in this white paper on the Workers' Compensation Act.

Mr. Sweeney: I think you appreciate that a constituent coming before us would not be able to use that to much effect unless he had the full co-operation of his employer, and that is often not the case, as you well know.

Mr. Wiseman: Yesterday I asked you a question and I should have followed it up a little further. If the injured worker brings a report from his general practitioner or a specialist, or both, to the board when he is being examined by the board doctor and the board doctor decides he

does not agree with one or both of those reports, is he given a written statement to that effect by the board doctor?

Dr. Mitchell: Is the doctor given or the patient?

Mr. Wiseman: Is the family doctor given a statement? I have just come from an ophthalmologist. He asked if the doctor referred me and if I wanted him to write and tell him what he found.

Dr. Mitchell: Copies of all our admission and discharge summaries are sent to the referring physician or treating agency. This usually means the family physician and the referring specialist.

Recently, we have not universally sent out progress notes because often they are not meaningful. Certainly, a copy of admission and discharge summaries, which summarize the pertinent facts upon admission and discharge, is sent to the referring physician in all cases.

You may well quote an example where one was not sent. Sometimes the patient does not give us the name and we do not have it. We make every effort to cover all those problems.

Mr. Laughren: I would only wish that, when disputes are going on between the doctors, the worker was paid while the dispute is going on. That is an aggravation because the worker is caught in the middle.

Dr. Mitchell: May I respond? It was mentioned yesterday that maintenance diagnosis takes such a long time. Sometimes it does take a long time.

Mr. Laughren: I understand that.

Dr. Mitchell: You are asking for an opinion; it sometimes takes a lot of consideration. Time has to pass. From a medical point of view, we cannot accelerate that process. What happens to that patient while the process takes place is outside our purview.

Mr. Laughren: But whether or not that worker gets paid is not outside the purview of the board. That is within the jurisdiction of the board.

Dr. Mitchell: Yes.

Mr. Laughren: Not the doctor, but the board. Are you aware of a letter written to Mr. McCombie of the Injured Workers' Consultants on the whole question of specialists and the opinion of the health disciplines board?

Dr. Mitchell: I am aware of the letter concerning Dr. Dyer and that whole matter, yes.

Mr. Laughren: The chest disease specialist.

Dr. Mitchell: Yes, I am aware of that.

Mr. Laughren: It seemed the health disciplines board was trying to be helpful in saying you should change the designation of specialist for people at the board who are not specialists. I was surprised the board listened to the opinion of the health disciplines board and said, "No, carry on."

4:20 p.m.

Dr. Mitchell: But the context of the letter was, "We support your view that Dr. Dyer is a specialist by virtue of his experience." So I think there was a good reason in that context to say he is a specialist by experience, and they accepted that. Perhaps you should not call him that. Well, that is—

Mr. Laughren: It is the principle involved, too.

Dr. Mitchell: The principle is that he is a specialist by virtue of his experience.

Mr. Laughren: Dr. Stewart was called a specialist too, I believe.

Dr. Mitchell: Yes, sir.

Mr. Laughren: He was not; neither by experience nor training.

Dr. Mitchell: I would deny the first part. He is very experienced.

Mr. Laughren: I have one other issue to raise and then I want to leave some questions with the board, so I will not dominate all day tomorrow. I wonder if I could read an entire short section. It is section 49:

"Where it is found that the widow or common-law wife, to whom compensation has been awarded, is a common prostitute or is openly living with any man in the relation of man and wife without being married to him, the board may discontinue or suspend compensation to such widow or common-law wife or divert such compensation in whole, or in part, to, or for, the benefit of any other dependant or dependants of the deceased worker." That is section 49.

Mr. Mancini: Will you read that again, please?

Mr. Wiseman: We were not paying attention. When you said certain things we perked up.

Mr. Shymko: Are you talking about legalizing prostitution?

Mr. Laughren: I would love to hear the board's interpretation of an uncommon prostitute.

Mr. Gillies: We do not have a policy on that.

Hon. Mr. Alexander: We do not investigate, if that is going to help you. I understand in the future it will be out. It is inoperative.

Mr. Laughren: Has it ever been used?

Mr. Shymko: Do you have a special interest in that area?

Hon. Mr. Alexander: I do not know.

Mr. Sweeney: They are not going to give you their list, if that is what you are asking for.

Hon. Mr. Alexander: I cannot answer that question. I doubt it.

Mr. J. F. McDonald: I can recall one occasion in my experience when a schedule 2 employer went to great lengths to discover that someone was living with one other person and made an issue of it. The board had to deal with the matter. The person had left the country and was living with someone else. It was a situation that could not be ignored; but I have only seen one.

Hon. Mr. Alexander: How long have you been around, sir?

Mr. J. F. McDonald: Thirty-nine years.

Hon. Mr. Alexander: We assume there has been one. But it will be gone.

Mr. Laughren: It is good that it will be gone. I must say there is a section in the majority report of the standing committee that is not quite as bad as that, but it discriminates against people who cohabit and/or remarry.

The questions I wanted to leave with the board are—it is not fair to expect they would have the answers with them—how many companies were fined for not reporting accidents or for late reporting, and what percentage was that of total claims? How many companies were fined more than once for this, and what were the maximum fines and the average fines, and is there any one group of industries or an industry that is a bad offender?

This is a totally unrelated question. What are the chances of having a Zenith number for the pensions department? I cannot speak for other parts of the province, but in the Sudbury area, when we want to phone the pensions department, it is very difficult. I suspect you need more phones down there too. I think a Zenith number would be of some help.

Mr. Warrington: A new system?

Mr. Laughren: New system; more phone numbers, or Zenith numbers.

Mr. Warrington: No.

Mr. Laughren: Not yet. I think that would be helpful. This one I will not dwell on. The chairman knows when you came to Sudbury to discuss it, back on December 15; we requested four appeals. The dates have been scheduled for

mid-April. That really is a long time to wait for appeals.

Hon. Mr. Alexander: Are those adjudicated?

Mr. Warrington: That is quite correct. I can tell you now that in Sudbury, at least on Monday night, we had 18 cases that were unscheduled. We have the two trips to Sudbury for appeals adjudicators. You sent in five cases yesterday. I am not sure if you are aware of it or not. We do not know whether they are appeals for adjudicators or appeal boards. We have to get the cases down from Sudbury and decide where they go, and they are ready for the appeals area. We have to send some back to get a decision, but those are the kinds of problems we face.

In answer to your question, we have increased adjudicators as, I believe, you are aware. We hired two recently retired appeals adjudicators back in to help us in the Sudbury area where we have had quite a serious problem. We had 25 trips to Sudbury in 1982; we had 33 in 1983. We had 240 cases in 1982; 360 in 1983. We believe the problem is now coming to an end. We will be back to, I hope, four-week service for you in Sudbury.

Mr. Laughren: When? Do you mean after April?

Mr. Warrington: Yes, after April, unless we get a surge. One of our problems that the chairman has spoken to you about is this surge. I think it was about three or four months ago that we had 60 people come in on one day for appeals.

Mr. Laughren: That was from one of the unions, was it not?

Mr. Warrington: That is correct. That, plus the plant shutdowns, the layoff problems and these kinds of things, have presented very serious problems in setting up appeals in the Sudbury area. I believe you have discussed that point with the chairman in the past. Is there anything more I can help you with on that?

Mr. Laughren: No, I just wanted to reinforce the point.

Mr. Warrington: We recognize the problem and I believe we have addressed it.

Mr. Laughren: We sent in five appeals yesterday because we were provoked by the chairman's opening statement.

Hon. Mr. Alexander: No comment, Floyd.

Mr. Laughren: Question: Why are commutations not allowed if a person has two permanent partial disability pensions? This may be a policy thing that you might want to think about. If a person has two six per cent pensions, or has one

30 per cent pension and one six per cent pension, the board will not consider a commutation of the pension even under 10 per cent. Could I leave that with you? It is my understanding that if you have two pensions you will not get a commutation.

Hon. Mr. Alexander: We will not lump them together.

Mr. Laughren: No, I am not even asking that. Say a person has a 30 per cent pension and a six per cent pension and the person says, "If I could only commute that one rinky-dink little cheque"—

Hon. Mr. Alexander: The six per cent.

Mr. Laughren: —the six per cent—"I could pay off my house, I could do whatever and leave the 30 in place as an ongoing permanent partial disability pension." That would make sense in some cases, but I do not think the board will allow us to do that.

Mr. Warrington: He would have to have a serious disability for the 30 per cent plus the six per cent.

Mr. Laughren: I am only using that as an example. It might be 15 and six per cent. It might be two sixes.

Mr. A. G. MacDonald: It is certainly not a stated policy, but I will check it out.

Hon. Mr. Alexander: We will check that one out too.

Mr. Laughren: Yes, I was surprised when I learned that.

The other thing goes back to what I was discussing with Dr. Mitchell earlier. That is the whole question of the legal liability of the board. Say the board sends a driller back to work who has early signs of white hands, white fingers. The board says, "All right, back to drilling." Then subsequently that worker gets a more serious problem of white hands. Has the board ever obtained a legal opinion on your liability there? You are, I think, party to the deterioration of someone's health.

Hon. Mr. Alexander: I think the doctor will know more about that than I do. Before he replies, I think Mr. MacDonald wants to clear up something here. I am not sure what it is, though.
4:30 p.m.

Mr. A. G. MacDonald: I am confused by Floyd's reference to the board sending someone back to employment. Decisions are not made by the board in any way; they are the prerogative of the employer under the Employment Standards Act and other legislation. If a person goes back to

work under those arrangements, it is not at the direction of the board.

Mr. Laughren: I think you are being cute with me. You know and I know that the board has the decision on whether or not to take an active role in getting that person another job, giving him rehab assistance—

Mr. A. G. MacDonald: We have no authority to tell a man he cannot go back to work.

Mr. Laughren: No, but you do not say, "That person should be pulled out of any further exposure to vibrating equipment." Your responsibility as a board surely is there.

Mr. A. G. MacDonald: I am saying we do not have that authority as I look at the section.

Mr. Laughren: What about the question of needing rehabilitation assistance? If you say to the guy, "We will not provide you with any rehab assistance either to change jobs or careers or whatever," then you are, in fact, telling him he is on his own, right?

Mr. Mancini: It does not matter, because 50 per cent of the people do not get rehab assistance anyway.

Mr. Laughren: I am talking about the ones who could and should.

Mr. A. G. MacDonald: You are talking about someone here whom you just said by definition did not have a disability. Therefore, there would be no rehabilitation services available. The decision must have been made that the person does not have a medical condition bad enough to keep him out of employment.

Mr. Laughren: Right. He does not have a problem that prevents him from working. He has a problem, though, with his hands, and the board would not pull him off through rehab assistance and that kind of thing. Anyway, I thought the board should have not just an obligation, it should be legal.

Mr. A. G. MacDonald: He has to have a disability in order for us to provide rehab assistance.

Mr. Laughren: What if he has a disability?

Mr. A. G. MacDonald: Then we have a responsibility.

Mr. Laughren: Do you have a legal responsibility?

Hon. Mr. Alexander: I thought we went over this earlier.

Mr. Laughren: No, not in terms of legal responsibility. Anyway, I will leave that with you.

Hon. Mr. Alexander: I do not know what you can leave with us if we do not understand what you are saying. Would you repeat the problem again so that I understand, about the legal responsibility end of it?

Mr. Laughren: If a person has early stages of white hands and that person goes back into drilling and the board says to that worker, "We are not having anything to do with any kind of rehabilitation program, any kind of supplement if you change jobs, or any kind of wage loss, that kind of thing. As far as we are concerned, you can go back and continue to do what you have always done, namely, drilling or running a chain saw."

I am asking, is there not any legal responsibility on the part of the board to do what it can to get that person out and provide rehab assistance to him in the legal sense. He goes back and he ends up with a more serious disability.

Mr. Darnbrough: Under the circumstances you have just described, rehabilitation assistance would be available to the person because the disability existed, so we would provide that.

Mr. Laughren: But they are going back on to the job. They are doing the same thing again. Dr. Mitchell agreed; he thinks it is okay to send them back.

Mr. Darnbrough: We cannot prevent them from going back. We cannot order someone out of the employment any more than we can order someone back to employment. That is a personal choice an individual makes.

Dr. Mitchell: I think, Mr. Laughren, you are creating an artificial scenario here. Give us the facts, and we will look at them, but I do not think I can respond to a hypothetical situation without knowing the background.

Mr. Sweeney: A variation of the same thing that in fact has been brought to our attention

before is the case of a person who comes in for testing and whose hearing loss is found to be only 25 per cent. I do not know what the cutoff figures are, but let us say you have to be 30 per cent deaf to qualify. This person is literally invited to go back to his job "until you become 30 per cent, and then they we will deal with you."

That is another variation of the same thing.

Floyd is asking at what point along the line do you have, if not a legal responsibility, which is his question, then maybe a moral responsibility or a social responsibility to say, "Hey, look, you are only at 25 per cent now, but if you go back into that setting it is going to be 30 per cent within a year. We would rather work with you now before you get to 30 per cent and prevent its getting worse."

Our experience is that you people do not do that. You do not stop him before it is too late. You do not seem to have any sense of responsibility or ownership of the problem, to catch him now, to be somewhat preventive. Let us put it that way. That is really what we are talking about. That does not seem to be part of your mandate.

Dr. Mitchell: I do not believe it is a lack of sense of responsibility. I think there are many factors that we really have to look at on specific details. I get the drift of what you are trying to say and we would be glad to look at any examples. It is not a lack of a sense of responsibility.

Mr. Sweeney: Let me put it this way then: maybe it is a lack of a sense of having a preventive component to your operation when it is so obvious that the next step, which is really the threshold step, is fairly close if he goes back—for economic reasons, if for nothing else.

The committee recessed at 4:35 p.m.

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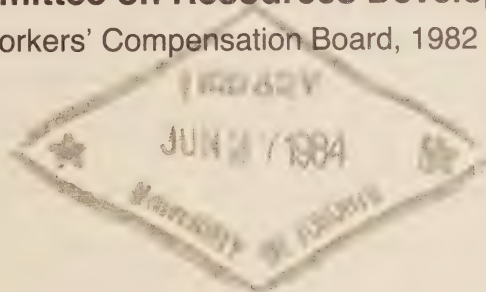
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Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Thursday, March 8, 1984

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, March 8, 1984

The committee met at 10:10 a.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982 (continued)

Hon. Mr. Alexander: Mr. Chairman, since you have called the meeting to order, if you do not mind and with the consent of the committee, Mr. Warrington was asked questions yesterday about the use of interpreters, and I think he has a little more information at this time. If the committee would allow, he is prepared to give that information right now.

Mr. Chairman: It might be an appropriate time.

Mr. Warrington: Mr. Chairman, the question was asked as to how often we use interpreters both at appeal board and at appeal adjudicator hearings. At appeal board 214 interpreters were used in hearings last year, which is 19.6 per cent of the total hearings, and at the appeal adjudicator level 657 interpreters were used, or 20.7 per cent.

I think it was Mr. Lupusella or Mr. Laughren who asked that question. Mr. Laughren, was it?

Mr. Laughren: I was looking for a light.

Mr. Warrington: Oh. That is all I have to say, Mr. Chairman, unless there are any questions.

Mr. Chairman: The first speaker for this morning will be Mr. Sweeney.

Mr. Sweeney: Mr. Chairman, I would like to address my first question to Mr. Alexander, and it refers to a point we have already discussed at considerable length, specifically subsection 43(5). I do not know to what extent this has already been raised, because I was not here the first day, so maybe a very quick answer can be given.

I am referring, Mr. Alexander, to a letter you wrote on February 8, 1984, to Mr. Alex Farquhar of the Association of Injured Workers' Groups. I just want to refer to one particular point in your letter; it is not a case of my agreeing or disagreeing with what you are saying.

Part-way down into the third paragraph—and I would assume you have probably seen it or have a copy—

Hon. Mr. Alexander: I signed it.

Mr. Sweeney: I know you signed it; I am just thinking of having it in front of you now.

Hon. Mr. Alexander: No, I do not have it in front of me.

Mr. Sweeney: You make the observation that the reason you have taken your particular position is that the resources committee, which is dealing with the Weiler report, in fact had made a recommendation.

My concern as a member of that committee is that we have at present a report that has gone to the government and that will likely go to the Legislature. This report was not in any way unanimous, as I am sure you will recall. We have no way of knowing what the Minister of Labour (Mr. Ramsay) is going to do with it, whether legislation is going to be introduced in this session or not.

I am a little bit concerned that you would use something in that state of development as a reason for making a decision at your board level. Quite frankly, I would like to hear your reasons for dealing with it in that way.

Hon. Mr. Alexander: Mr. Sweeney, I am pleased you brought this matter to my attention. I think you can appreciate the fact that you and the rest of your colleagues on the committee had dealt with subsection 43(5) in terms of supplements and/or wage loss and, as I understand it, Weiler has directed his attention to this matter as well.

Now, the Industrial Accident Victims Group of Ontario, which is part of the umbrella group, had attended with me and others of the board in order to discuss this particular item and others as well. At the time, a suggestion was made—not by me but rather by someone else—to the effect that a legal opinion should be gathered with respect to our interpretation of subsection 43(5), vis-a-vis our use of the criteria for the allowance of Canada pension plan to determine whether or not a person was available for work. That opinion has not been acquired, in the light of the comments made in my letter.

Having said that, and having read the new submission brought forward and tabled yesterday, what will happen is we will get a bottom-line question. When the Industrial Accident Victims Group of Ontario wrote to me, they

inserted a number of other issues which clouded the subject issue, which is the availability for work.

If we can get the subject question in front of us, we are prepared to look at it again, without the fuzziness that came as a result of the letter I asked them to give to me in order to determine what they were seeking, how they wanted it to be approached, in terms of a legal opinion, so I could look at it.

We have looked at it and up to this time, because of the Weiler report, we thought it was best not to proceed. Having said that, if we can isolate the subject question, which is the use of CPP criteria to determine whether a person is available for work, we are prepared to look at that question. We are attempting to get a legal opinion and we will look at it again.

Mr. Sweeney: If I understand you correctly, you are inviting the association of injured workers' representatives to apply to you once again, but to ask you to deal with the specific issue rather than a range of issues?

Hon. Mr. Alexander: With the specific question, which is the use of CPP criteria to determine whether a person is available for work or not.

Mr. Sweeney: Very good, I am pleased to hear that. May I take the issue one step further and ask for some kind of commitment on your part? Until the committee's report is submitted to the Legislature and some kind of indication is received as to how the Legislature is going to deal with it, it is truly not appropriate to use that report or anything in it as the basis for making a decision. Would you concur with that?

Hon. Mr. Alexander: There are ramifications to that statement. There are a number of things in that report the board can perhaps move on, without the report having any legislative clout. I would hope you would be fair in this regard, that in terms of administering the board we would do so in a very credible and accountable fashion. Before I could give you a firm commitment and say we will not, I would have to go back and look at that report in its entirety to see whether I can give you that commitment.

Having said that, I hope you will allow me the opportunity of looking at the report again to determine whether I could stand here and say I will take no action or I will take action, as the case may be, pending the introduction of legislation. I will get back to you on that.

Mr. Sweeney: My concern is something I am sure you would appreciate, given the nature of

that report, where there are two very strongly worded minority sections. I am trying to say this legislation did not have at the committee level, and in my judgement will not have at the legislative level, the kind of broad-based support I think it should have before you can make decisions on it.

Hon. Mr. Alexander: No question about that.

Mr. Sweeney: It is that part of it that concerns me. It is not that it is a report about to go before the Legislature, but that it is a report in strong dispute. Having sat through all those discussions, the chairman will well know the point I am trying to make. It seems inappropriate for your office or your agency to make decisions when the future of that report is so much in doubt.

10:20 a.m.

I fully agree with you that if the government, with its majority, decides that it is going to go through, then it will go through. There is no question about that. I suspect the strong opposition, not only from the two opposition parties but also from outside the Legislature, is going to give the government pause to reflect on some of those points. I have no idea what its decision is going to be, but it is such a strongly disputed issue that I truly question using it as the basis for any decision-making, pro or con, quite frankly.

Hon. Mr. Alexander: Let me put it this way, if I can try to answer this question again: in administering the policies of the board, we will take such steps as are necessary with respect to policy review, notwithstanding that the report is outstanding.

Mr. Sweeney: Obviously you cannot sit and do nothing, knowing that report is coming up, and I am not suggesting that.

Hon. Mr. Alexander: That is right, and that is exactly what my point was. We will take any initiative we feel is necessary as a result of the input of your colleagues and/or the policy review we have on an ongoing basis to move, notwithstanding that the report is outstanding.

Mr. Sweeney: All right, let me go one step further in the same direction. I hope my question will not appear to be contradictory. Knowing the major issues involved in that report, and knowing somewhere down the line you may have to implement it—and I am saying "may" deliberately as a qualifier—what kind of action, in terms of preparation, can you take or are you taking at this point, for example, on the whole issue of a medical review panel?

As you are probably aware, other jurisdictions—the one I happen to be familiar with is

Manitoba—have such in place already. What is your administration doing to look into the operations in other areas, to determine whether they are valid or workable or whether there are serious problems with them and how they would affect yours? In other words, how are you proceeding at this point?

Hon. Mr. Alexander: I am pleased to say that, from the moment the Weiler report was tabled, with its 21 recommendations, the board, in terms of its respective divisions, took it for granted that everything in the Weiler report would be introduced. I think that was the only proper way to go.

Having had some experience, we knew when they introduced the amendments to the Unemployment Insurance Commission that the departments were not well versed in what was going to happen. In other words, they sat back and waited for legislation. We have not done that. We have taken the view these are the recommendations that may be implemented, so let us get the entire board ready for that scenario.

A part of that getting ready, if you will, called for several of our colleagues either visiting or having others visit us. We asked them questions about the independent medical review panel, the independent appeal panel, matters with respect to wage loss, 90 per cent of net, the ceilings. Where anything involved a question we had no expertise in, we called our respective colleagues across the country to determine where they were and what comments they had on whether the particular principles or philosophies were workable, what kind of problems they envisaged, how they solved them. That was the procedure we took.

Mr. Gillies: Could I clarify one point, Mr. Sweeney? I do not think there will be any confusion on the part of members of the committee but, for anyone observing these hearings, I want it to be very clear that, as Mr. Alexander stated, the steps he is taking and the research that is being done by the WCB are really contingency plans.

I want to stress again there is no commitment on the part of my minister at this point to bring in any or all of the recommendations by way of legislation. Mr. Alexander is talking about contingency plans the WCB has been making in case these things are brought in.

recommendations by way of legislation. Mr. Alexander is talking about contingency plans the WCB has been making in case these things are brought in.

Hon. Mr. Alexander: I hope that answers your question.

Mr. Sweeney: Yes, I understand.

Hon. Mr. Alexander: We did not stand still waiting for legislation to be introduced. I think the proper approach was to look at the 21 recommendations. From the moment the report was tabled, the respective divisions, whether it was claims, rehabilitation, medical services, appeals or whatever the case may be, all had a look at it to see how it would affect the board. It was to let us get the pros and cons so that in the event the whole package was introduced we would not be left high and dry. We were in step all the time. Does that answer your question?

Mr. Sweeney: Yes.

Let me move on to another issue. Recently there was a royal commission series of hearings with respect to asbestosis; I may have the wrong terminology but I think you know what I mean. It has been close to a year since they adjourned their hearings and we have heard nothing about them. I am sure they would be of great interest to you.

Hon. Mr. Alexander: Is that the Dupré commission you are talking about?

Mr. Sweeney: I do not know. Is that the one?

Hon. Mr. Alexander: Yes. I think it is.

Mr. Sweeney: Because many of us have clients who are potentially affected by some of the decisions, we have attempted to find out what conclusions it arrived at. We do not know anything. Can you tell us anything?

Hon. Mr. Alexander: The first report has been tabled.

Mr. Sweeney: Can you share with me what findings have come out of that which would affect your operation?

Hon. Mr. Alexander: Let me pass this on to Dr. Mitchell. I do not want to get involved with—

Mr. A. G. MacDonald: I do not believe any report has been tabled that we are aware of.

Mr. Sweeney: I am not aware of it either. Are you aware of anything coming from those findings and those hearings that directly affects the operation of the board as it would have an impact on our constituents?

Hon. Mr. Alexander: I am sorry I misled you about a first report having been tabled. My colleague Mr. MacDonald has indicated one has not been tabled.

Mr. Sweeney: There has to be some information.

Mr. A. G. MacDonald: Transcripts of the hearings are available.

Hon. Mr. Alexander: Yes, transcripts; that is what I was confused about.

Mr. A. G. MacDonald: The only thing that could be said to have flowed from the Dupré report in terms of publication is Weiler 2. Weiler 2 included reference to some consultation with Dupré. I suspect one of the recommendations that will come from the Dupré commission which will parallel what Weiler has said is the need for the creation of an independent industrial disease panel for the interpretation of criteria, adjudication, research and matters of that nature. Our understanding is the Dupré report is at the printer but none of us has seen it yet.

Mr. Sweeney: Did you have observers at the hearings?

Mr. A. G. MacDonald: Yes. I attended myself and we had an observer there all the time.

Mr. Sweeney: Given the difficulty the board and our constituents have faced in trying to decide whether they have asbestosis and whether it is compensable, was information given at the hearings that in your judgement begins to deal with the issue and will make it somewhat easier for us to deal with it when we come before the board, or for the board itself to deal with it?

Mr. A. G. MacDonald: I do not know whether any new scientific evidence was introduced that would make the problem of adjudication easier. Everyone who had views concerning exposure, etc., made representations. As I listened to the deliberations, while I gave evidence and when I read the transcript my impression was that the major issue was the one Weiler has dealt with, the need for independent research and the need for a group separate from the board to establish the criteria.

It may well be what is eventually obtained from the scientific community will be the same regardless whether we ask them to do it or whether an independent group asks them, but having the assurance of independence would satisfy the public to a greater degree than the current system.

Mr. Sweeney: In other words, as to new knowledge or new diagnostic skills, you do not see any significant change coming out of those hearings. Is my interpretation correct?

10:30 a.m.

Mr. A. G. MacDonald: It is unfair to say that. I do not know. Let us remember that the members of the commission were themselves experts in some ways. They may well make judgements from what they have heard and comment on those matters. I cannot be sure of that.

Mr. Sweeney: To what extent would you feel bound by their final recommendations, whatever form they might take?

Mr. A. G. MacDonald: The board supports—and I gave evidence to this effect at the commission—the need for an independent industrial disease panel. That is important, because it is difficult for the board to be judge and jury and everything else.

As a generality, we would support any new initiatives which would improve knowledge and make our adjudication job easier.

Mr. Sweeney: I want to raise another issue with respect to the determination of pensions, the percentages and those kinds of things.

One of the problems we all deal with is the famous "meat chart." It became fairly clear to us during the Weiler hearings that other jurisdictions once again have come up with a variation of that which seemed a little more fair. New York in particular was mentioned.

To what extent is the board looking at variations or other versions of that chart so the percentages of pension allocations arrived at will be fairer than they are now, at least in the eyes?

To what extent is the board looking at variations or other versions of that chart so the percentages of pension allocations arrived at will be fairer than they are now, at least in the eyes of the recipients?

Hon. Mr. Alexander: I will have to pass that question over to Dr. Mitchell. It is certainly a question with a medical thrust. Dr. Mitchell, are you in a position to assist us in this?

Dr. Mitchell: There is a very important issue here. As you know, we have 10 physicians adjudicating pension percentages. Uniformity is something we would like to achieve, because you do not want to feel you were unlucky at the starting post and you got the tough guy at the end.

Whether it is a chart or some form of continuing information session is a matter I have been thinking about. Just recently we have come up with plans, though not actually put in place, for the physicians who adjudicate pensions to have regular discussions on contentious issues so they may have uniformity.

Once burned, twice shy; we would be hesitant to produce a so-called meat chart. I think the Weiler report visualized it very well. If you are a pianist and you lose a finger, that is much more important than if you have some less important role. However, I think your thrust is uniformity; we are aware of that and will be taking steps to try to establish that on a fair and just basis.

Mr. Sweeney: Part of the thrust of my question, Dr. Mitchell, was a reflection that a majority of the people who appeared before us

seemed to be saying that although they really did not like the meat chart—I hate that term—

Dr. Mitchell: I do too.

Mr. Chairman: Clinical rating system.

Mr. Sweeney: Clinical rating system, thank you; it just becomes ingrained in your vocabulary after awhile.

Despite their disliking the concept, there seemed to be a sense that we needed something along those lines. Maybe it was for fairness, justice and equity and those kinds of things, but there almost seemed to be a universal expression that the one currently being used is just not fair; it does not really reflect what happens to people.

Other jurisdictions seem to have come up with a clinical rating system which is more reflective of society today in the impact of an injury. I simply mentioned New York as one that seemed to be getting a fair bit of attention and support.

The thrust of my question is this: are you aware of and sensitive to the fact that the one you are using now, the 15 per cent for the reasons designated, simply is not fair and that some other figure is fairer? Probably we will never get 100 per cent agreement; I appreciate that. However, if we could approach something that is fair, we should be doing so.

Dr. Mitchell: All guidelines need updating, and one of my roles in this organization is to review these things and update them. Certainly I am sensitive to the facts you have mentioned.

Mr. Sweeney: In your judgement, do other jurisdictions appear to have arrived at a clinical rating system that is superior to ours? Have you come to any conclusions on that?

Dr. Mitchell: No, I have not. I cannot say there is a jurisdiction that I believe we should follow 100 per cent. My personal view—and you have asked for a personal view—is that we should review a series of these, take the best of what we sample from a number of them and try to incorporate those in our guidelines.

Hon. Mr. Alexander: Mr. Chairman, I have just been advised by the vice-chairman that there will be two or three doctors, and maybe a couple of laypeople, attending a conference in the United States—Chicago, I believe—that will deal specifically with this topic. There will be a lot of input at that conference which would certainly benefit the Ontario board.

Dr. Mitchell: Right; we have identified the people we want to send there.

Mr. Sweeney: Yesterday, the chairman made reference to his pride in the rehabilitation centre. We have had some fairly recent situations that

cause us to question that pride. I want to share one situation with you very briefly.

A constituent of mine by the name of Lamarche—his file number, for the benefit of your officials, is 13906002—was injured at the Kaufman shoe plant in Kitchener on July 6, 1982. As an aside, I can add that his injury occurred while he was saving the life of a fellow worker.

They were both working under a crane. The crane slipped, and the other worker was directly in the path of a large piece of steel that came crashing down. It would have killed him; there is no doubt about that in anyone's mind. In the process of pushing the other worker out of the way and trying to jump out of the way himself, Mr. Lamarche's foot was very seriously injured.

That is just a bit of the background. The real problem was this. In July 1983, he was at the rehab hospital under the jurisdiction or the service of one Dr. N. Van Nguyn. Just before he left the hospital, he was called into the doctor's office and asked to show his leg. The doctor exclaimed: "My God, man. That is getting worse. There is just no way you can go back to work."

For some totally inexplicable reason, two days later he was called back into the same doctor's office and, pointing his finger at Mr. Lamarche's chest, the doctor said, "You go back to work."

I saw that man three days ago. His foot was still in a cast. He cannot work and has been laid off from the company where the accident occurred. He was given his pension benefits to live on, and they are now gone.

This case is being appealed, but there is something seriously wrong when that happens. I do not expect you to be able to explain it. I do not expect you to be aware of things of a personal nature such as this. But I want to share with you one real-life situation that happens in a way that, to me, is just totally wrong. It should not happen.

Hon. Mr. Alexander: I can appreciate your concern. As a matter of fact, I would like to know why there was first a comment made with respect to his not being able to work and then within minutes, I would say, with the finger pointed, the doctor saying, "You get back to work."

I would certainly register my concern about that. But in a case such as that, and there may be four or five more, I would respectfully state that does not give us a reason to condemn the whole hospital. I do not know whether you were implying that.

Mr. Sweeney: No, I was not.

10:40 a.m.

Hon. Mr. Alexander: Yes, I will say we do have problems there, but when these problems are brought to our attention, we try to resolve them. We try to resolve the attitudes of doctors, and we try to resolve in a more favourable way the attitudes of all board staff.

I do not know anything about this man whose case you brought to my attention. I do not know whether Dr. Mitchell is in a position to comment. Yes, there was something wrong there. Perhaps the doctor can assist us.

Dr. Mitchell: My views are identical to yours, sir. It is position to comment. Yes, there was something wrong there. Perhaps the doctor can assist us.

Dr. Mitchell: My views are identical to yours, sir. It is difficult to understand the logic behind the description you have given of a man being told one day, "You are getting worse," and two days later being told, "Get back to work."

One of the problems Mr. Alexander and I face in the many inquiries we get is the fact that the patient or the injured worker is not always fully aware of what the doctor is trying to imply. That is a communication problem.

As you have stated it, I cannot justify those statements in any way, and I will look into the matter. I can tell you, however, that the doctor is an orthopaedic surgeon trained at the Mayo Clinic and has a very good background medically. Certainly, if I have to make a judgment on the piece of information you have given us, I cannot defend it in any way. We will look into it.

Mr. Sweeney: I am reasonably sure it is going to come out in the appeal, but I felt it was the kind of thing you should be aware of and I hope you will try to prevent in the future.

Hon. Mr. Alexander: That is right. I agree with you.

Mr. Sweeney: I have one last question; it deals with the whole question of low back injuries. As we are all very much aware, this is the bane of all our work.

The last time we met here, I was under the impression that a particular thrust was being taken at the board to try to learn more about low back injuries, what you can do about them and how to help people get over them. Can you give me an update on what has happened at the board with respect to this kind of injury over the past year?

Hon. Mr. Alexander: We can bring Dr. Mitchell to the front again. We also have Mr. Gordon Haugh of the communications division,

who was involved with IBEP, the industrial back education program we brought before the people of Ontario and particular industries. Perhaps we can hear from Dr. Mitchell first and Mr. Haugh second regarding IBEP.

Dr. Mitchell: You have raised the point in the correct order. Prevention is important. In the medical services division, we support IBEP fully. We are grateful that communications is continuing that and doing a good job of educating people.

As to active steps we have taken, I have just introduced—it started on March 5, three days ago—a back pilot project at the centre. It is an attempt to identify and treat at an earlier stage injured workers who have not responded under their family physician or orthopaedic surgeon to conventional treatment. We have asked claims to identify people who have not returned to work 90 to 120 days after the injury. We are calling them into the centre to assess and treat them at an earlier stage.

Our statistics show that if the patient does not return to work within six months, the chance he will ever get back to work falls significantly. The longer the time interval between the injury and when we have them for treatment control, the less likely we are to restore their good health and return them to work. We are putting the clock forward for that group and saying we will identify them 90 to 120 days after the injury.

We will call them in and try this new pilot project, which includes some concepts we have learned from other jurisdictions, particularly British Columbia, which we believe, based on their figures, provide a higher success rate as far as returning to health is concerned.

As you well know, Mr. Sweeney, back problems are recurrent problems. They do not go away. Our difficulty will be in determining whether we are successful. Is getting a person back to work for a year a sign of success? He may go a year and then have more back trouble; so it is difficult to label.

With all those recognitions of our fallibility, we are making an effort to concentrate on that group whom we have identified as troublesome for the future and to do something about it.

Mr. Sweeney: Dr. Mitchell, are you any closer to resolving that seemingly ageless dilemma of a person who has a compensable back injury and when recurrence is reported, we come up with the degenerative disease pattern?

Mr. Alexander will remember that I have mentioned this before, and it just seems to keep on happening. My problem is that these de-

generative disease patterns seem to have been triggered by the original compensable injury. If you get a man who goes for 30 years—and I well understand that probably all of us have a certain amount of that degeneration taking place, but if we do not have a serious injury somehow or other we manage to live with it.

It is very difficult at the adjudication level to have that thrown at you and simply be told: "Sorry, we are not responsible. Degeneration disease is the fault." You keep coming back and saying, "That may very well be, but it was triggered by the accident and therefore there is a continuity there." We just seem to go around and around in that circle.

I must admit we win most of those appeals, but it is a long, tiring circle. I think my friend the member for Dovercourt (Mr. Lupusella) was trying to draw to your attention in another way yesterday that too often we seem to be put through the wringer unnecessarily.

Are you any closer to resolving that dilemma? Are you any closer to agreeing that this thing just does not pop out of nowhere, that something has got to trigger it; or are we still going to have to go through the process?

Dr. Mitchell: That is like asking, "When did you stop beating your wife?"

Mr. Sweeney: I suppose so, but I think you are well aware of which I speak.

Dr. Mitchell: I wish I had the ability to say we are close to it, but we are not. People do degenerate, but I would question your word "trigger." A person whose back has degenerated can put it out simply by having a forceful sneeze or slipping as he gets out of the car. It does not have to be a very significant factor.

I think it is one of the problems. If the member for Nickel Belt (Mr. Laughren) were here he might use that word "ideology" again. It is a problem. The back does degenerate. Does it degenerate more in someone who is carrying heavy weights or wheeling a wheelbarrow for 20 years than it does if you are sitting in a comfortable chair? The medical profession has no uniform view on that.

The fact is that in most of these situations there is a degenerative process and there is an exciting cause, whether or not that is a significant one. As I say, it can happen with one sneeze or one cough. We have some rather ribald and humorous episodes of how people get bad backs, situations that incapacitate them, but I will not bore you with those. However, that is a problem.

MR. SWEENEY: What I hear you saying is that a year later or two years later we are no closer to resolving those basic dilemmas.

Dr. Mitchell: Absolutely.

Mr. Sweeney: We are still going to have to appeal them.

Dr. Mitchell: I think it is a judgement call on an individual basis. That is the whole mechanism of justice and individuality, is it not? If we were all built like robots, we could answer that question for you.

Mr. Sweeney: The day may not be far off. Mr. Chairman, I will pass the ball, thank you.

Mr. Lupusella: Finally, I got back the floor.

Mr. Sweeney: I am glad you said "got back".

Mr. Lupusella: It was mine before, and I was so kind as to give it to the member for Essex South (Mr. Mancini).

10:50 a.m.

We are in the area of the clinical rating system and how cases are adjudicated in relation to a percentage of disability. Before getting to other issues, I would like to pursue the fact, based on comments which the member for Nickel Belt made yesterday, that doctors employed by the board actually have to come in as adjudicators of the claim when a person is launching an appeal.

Let us try to put theory into practice and find out how the system works. I think Dr. Mitchell can reply to my comments in relation to a case on which no decision has yet been rendered, but I am sure in the near future I am going to get an answer to this particular issue. We are faced with an individual who had traumatic amputation of his fingers.

Dr. Mitchell: Do you know how many of them?

Mr. Lupusella: I know. Again, we are talking about the criterion used by the board, the clinical rating system, then the individual launching appeals, and consultants to the board becoming the adjudicators of the claim, even though you are able to introduce independent medical evidence before an adjudicator or before a board.

The practice follows the pattern that the adjudicator or the board sends back the file to the medical branch for comments or further comments in relation to the content of the independent medical reports introduced up to that stage.

I do not want to mention this particular individual's name or his claim number. I want to quote something from memo 70, which I found in the file sent to me before launching the appeal: "He is 46 years old. He has suffered a severe injury to"—I am sorry, but on the photocopies I got, part of the history on the right side of the

pages is cut, so I am not able to read some of the words because they are incomplete. I think it is a problem that should be corrected in the future.

"He suffered a severe injury to his dominant left hand on January 31, 1980. His hand was caught in a shear type of apparatus used for cutting aluminum sheets and he sustained amputations of his index, middle, ring and little fingers through the proximal phalanges. The thumb was not injured."

"Replantation of the index, middle and ring fingers was carried out by Dr.—I do not want to mention the name here; he was a plastic surgeon. "The replanted fingers survived. He underwent extensive physiotherapy, including treatment at the hospital rehabilitation centre and then the clinic in an attempt to regain the function of the left hand.

"He was left with a considerable stiffness in the fingers. When he was seen in March 1982 by his plastic surgeon for final review, he noted the patient had virtually no grip capability, but had developed good pinch function."

This is a very interesting case, and I want to develop the content of this case, because I do not understand the criteria used by the board in assessing the percentage of disability. So he developed good pinch function and good claw function. "The patient advised his surgeon that the hand was much better than if he had to have a prosthesis." He never got that, anyway; I do not know for what reason.

He also noted that "the patient had recovered good sensation in the index finger, with 15 mms of two-point discrimination." Maybe that is terminology used by doctors.

"This man never returned to work. He was examined for initial partial disability rating in November 1982. His disability was assessed at almost the equivalent of amputation of four fingers, for a rating of 30 per cent." Almost. "He appealed the decision. The 30 per cent award was confirmed. The man appeared again and appealed it." He is not even a constituent of mine so I am not playing political games with injured workers. He is from outside my riding.

"On the physical examination which took place at the board his left hand shows amputation of the little finger with the index, middle and ring fingers remaining. The fingers are all quite stiff and in a position of about 40 degrees of flexion; that is the PIP and DIP joints. He has a bit of active movement in the MP joints which are also in partial flexion. He has no grasping or gripping"—and then I cannot read the word—"but he has quite useful pinch functions, opposing to

the thumb"—I cannot read the word—"index or middle fingers. The thumb itself is completely intact."

In other words, this man can just use his thumb with his left hand, and he has no grip with his left hand, even though there is a pinch function. I do not know how useful that is for this man to be able perform a light job. He never returned to work. Rehabilitation assistance was a complete disaster. He reappealed the case anyway. I do not know the final decision.

When he got the 30 per cent disability award, let me quote the conclusion of the doctor who visited this injured worker at the board level.

"This claimant's disability is almost equivalent to amputation of his four digits at MCP joint level, which would be 35 per cent. I would recommend an award of 30 per cent." That is what was given to the claimant.

He appealed that decision without my assistance and 30 per cent was confirmed, not 35 per cent. Here is the final diagnosis, and we are again talking about experts and doctors employed by the board.

"Amputation left (subdominant), index, middle ring and the little fingers with the replantation of LD-2, 3 and 4." He is not an independent doctor; he is speaking for the board on this man.

"Disability: He has a marked disability in his hand, almost equivalent to amputation of the digits".

Now, problem one, I do not understand why the board did not give him 35 per cent and why he was granted an award of 30 per cent. It was not an independent specialist saying that, it was a doctor employed by the board.

I appealed this decision after reading the file because this man never went back to work. An English course was given to this man because he did not speak English, but that is the award he got.

The adjudicator sent this file back to the medical branch of the board. Look at the recommendation. Based on this recommendation, I am of the opinion we are going to lose the appeal. It is quite a strange recommendation, if you want to know my opinion.

11 a.m.

As I stated before, based on what I read it appears he cannot use his left hand, period. In my opinion, the degree of his disability in theory should be based on an individual who has a full amputation of his hand, because he cannot use it.

This is the recommendation of the doctor to the board and that is what the adjudicator got back.

"There is no evidence at all of any increase in the extent of the permanent disability."

It even goes against the previous recommendation when, instead of receiving 35 per cent after the initial visit a few years ago, he got 30 per cent. I do not want to mention the name of this doctor because he is employed by the board. This gentleman did not even recognize this loophole to grant him 35 per cent. He recommended 30 per cent again.

"His impairment has been properly and correctly set at 30 per cent and I would recommend a confirmation. I understand that at the hearing he was claiming his disability should be considered the equivalent of a complete amputation of the hand"—which was my claim on his behalf—"and I totally disagree with this.

"The reports from his plastic surgeon plus my examination, indicate quite clearly that this man has a quite useful pinch function."

How can he work? How can he perform a light job just by having a "pinch function," without the grip of the left hand? I do not know what sort of work he can do. Can you find a light job in which you can implement this? I do not know what sort of job that would be, unless he can find a job where he can use just his right hand.

"In particular, he has a good sensation of the tip of the index finger and the normal function of the thumb." I do not know what use a thumb is if one cannot use the other fingers.

"In this regard, he is decidedly better off than the person who has a complete amputation of the hand." This is the philosophy of the board in action.

This specialist is not recommending 35 per cent, which was decided by previous doctors employed by the board. He got 30 per cent. If there had been a different specialist or doctor he could have recommended at least 35 per cent, if he had a disagreement about the principle that he should get 50 per cent disability and be considered as an individual who has full amputation of his left hand.

Rehabilitation for this man was very poor. Based on this recommendation, I agree with what Mr. Laughren said yesterday that doctors and specialists employed by the board are becoming the adjudicators of the claim when there is an appeal. They are even going against the principle of other doctors recommending higher degrees of disabilities for people. Of course, then we get into the theory that 10 per cent disability award is not high enough.

Maybe the individual, based on that philosophy, has a 15 or 20 per cent disability pension,

but for the reasons we all know, the philosophical approach, the clinical rating system, the injustices by the board which injured workers are faced with on a daily basis, he or she gets 10 per cent. Well, bad luck. You will not be entitled to a supplementary pension because the degree of disability is not high enough and you can go and earn your regular money.

Dr. Mitchell, by the way, your name is not signed beneath this recommendation. Would you like to comment on this particular case?

Hon. Mr. Alexander: Mr. Lupusella, I do not mean to intervene and I do not know what Dr. Mitchell will say, but I appreciate all you have stated and I think your bottom line is that the medical profession are the adjudicators at the board.

I just want to say again, as I have said on a number of occasions, that the medical profession assists; it advises. It is the adjudicators, the appeal board panel, who actually make the decision. You may not like the decision or you may feel that it is the doctor who is adjudicating, but I would say again, that is not the way the process works at all.

Did you say the matter is under appeal now?

Mr. Lupusella: Yes.

Hon. Mr. Alexander: I do not want to be offensive again—

Mr. Lupusella: That is why I did not mention a name.

Hon. Mr. Alexander: —but when you are asking the doctor for an opinion when you have something under appeal, I am wondering whether we are being fair and—

Mr. Lupusella: I did not mention any name. I am talking about the philosophical approach implemented by the board in relation to policies and the policies in action. I am trying to support what Mr. Laughren said yesterday, in relation to the allegation that doctors employed by the board are the adjudicators. Again, there is disagreement between you and us. Here is a concrete case. It is not a case we invented. I am reporting words about this man which are here in this pile of papers.

We have a clear situation in which you heard the criticism about the meat charts and the clinical rating system by Mr. Sweeney. I heard there is a new vision of approach in the clinical rating system, with a different mentality, but based on cases that are coming to my attention I do not see any improvements whatsoever. I see regression, not progress, in relation to this issue.

You might say we are at the stage of improving the clinical rating system, or the meat chart as it has been defined by injured workers. But in the meantime, is there any sign of improvement? No. We are getting back to the old philosophical approach of the board, penalizing injured workers. I would like to have a comment on that.

Hon. Mr. Alexander: Assuming we know what the problem is—I am not trying to detract from your concern by telling Dr. Mitchell what to say—you have already indicated that this matter is under appeal. You know and I know it would be ill-advised for anyone to start adjudicating that appeal at this hearing.

If the doctor wants to make some comment with respect to what the function of the medical service is vis-a-vis the adjudicator, that is appropriate.

Mr. Lupusella: Let me rephrase the question. Based on what you have heard, do you think it is ethical for the medical profession to treat such cases in the way they have been described, with the terminology I just quoted? Is this ethical or unethical? Do you think a different approach should be used?

Do you not think any doctor is going against the principle of previous recommendations, which suggested 35 per cent instead of 30 per cent? Is it ethical for the medical profession to implement such a policy? Is this policy practised by the board, or is it unusual?

Hon. Mr. Alexander: You are trying to get in the back door when you cannot get in by way of the front door. I understood the question in the first instance and I think I understand it in the second instance.

The doctor knows the problem we are faced with, with respect to the matter being under appeal. If the doctor wants to volunteer some information vis-a-vis the relationship of the medical profession and the adjudicator, that is quite appropriate.

We know what your concern is. You say the medical profession is running the board and I adamantly and very vigorously deny that. Doctor, if you would care to join us—

Mr. Lupusella: Dr. Mitchell and myself have developed a good friendship and I am sure we are going to have comments on that.

Dr. Mitchell: With all due respect and no aggressiveness whatsoever—and perhaps Mr. Warrington, under whose purview appeals really fall, would like to add something subsequently.

As far as your interpretation of the medical report is concerned, you are absolutely wrong.

You do not understand hand function. I am prepared to tell you the difference between pincer and grip and why the doctor said this is almost equivalent to an amputation of four fingers but not completely equivalent. He was absolutely right in assessing 30 per cent.

Mr. Mancini: Are you talking about the—

Dr. Mitchell: I am talking about the medical opinion. As an adviser, that is my role here.

11:10 a.m.

Mr. Mancini: Hang on a minute. Mr. Lupusella was posing a question. We heard from the chairman that any comments made about the accuracy or about the doctor's personal comments about the claim might jeopardize the person's appeal. Now here we have you, Mr. Mitchell—

Dr. Mitchell: Dr. Mitchell, please.

Mr. Mancini: Dr. Mitchell.

Dr. Mitchell: Thank you.

Mr. Mancini: Here we have you reinforcing and supporting everything that was said in that report, so this person's claim is down the drain.

Dr. Mitchell: I am telling Mr. Lupusella his medical opinion is unfounded. That is what I am saying.

Mr. Chairman: As your chairman suggested, Dr. Mitchell, I think the real question that should be answered is are the doctors at the board giving advice along these terms.

Mr. Mancini: Can you give me an example of when a doctor has publicly disagreed with another doctor?

Dr. Mitchell: I have attended rounds at university for 30 years publicly.

Mr. Mancini: Publicly? In forums? Before committees?

Dr. Mitchell: I have not been before such a committee as this before, but it certainly happens very often.

Mr. Mancini: It never happens, Dr. Mitchell.

Mr. Piché: When do you disagree with your colleagues in the Liberal caucus?

Mr. Laughren: That is an unfair question.

Mr. Piché: That is a fair question, but that is an unfair question.

Mr. Mancini: On Thursday during private members' day.

Mr. Piché: I have yet to see that.

Hon. Mr. Alexander: Mr. Chairman, Mr. Sweeney had asked, and I think a question was asked by Mr. Lupusella, regarding the industrial

back education program. Mr. Haugh was at the front and I did not bring him forward. This is one of your questions, sir, and it was part of Mr. Sweeney's question.

Would you mind, Mr. Chairman, if I were to call Mr. Haugh to supplement further the answers that were given and that are requested by Mr. Tony Lupusella?

Interjection.

Mr. Lupusella: I knew that.

Hon. Mr. Alexander: But Tony, that is what you get, with all due respect. When you bring in an isolated case—

Mr. Lupusella: It is not isolated. I can bring all my case work down here if you are going to extend the days of our hearings.

Mr. Chairman: No, this committee is not here to deal on a case-by-case basis. I think we want to deal with the principles.

Mr. Lupusella: I can move a motion to sit next week, which is the March break, just to hear cases here.

Mr. Chairman: What if we accept it? Then you would have to be here.

Hon. Mr. Alexander: Tony, I think the problem is—and I am just trying to be helpful—that you brought this set of circumstances before the hearing, you knew it was under appeal and therefore I think you took a chance in bringing that set of circumstances—

Interjection.

Hon. Mr. Alexander: Without the name, but the name does not mean that much. You can easily determine just what you are talking about because you are on the list.

So you took a chance, and I would respectfully state that this is the type of thing you would find when you ask someone here to adjudicate the case. That is all I was trying to bring to your attention.

Mr. Lupusella: I understand and I share your concern. In 1975 when you were not around—I think Mr. Starr was the chairman then—I brought another case that was almost the same; I did not mention names and so on. The injustices were so clear, but surely Mr. Starr then really reacted and said, "Well, you cannot bring these particular cases to our attention."

Again, in this hearing before a committee of the Legislature you are enunciating and explaining policies of the board, and I am trying to bring to the attention of the board how these policies are affecting the injured workers. You cannot deny then that there are injustices around.

Hon. Mr. Alexander: I understand your point. My only point is, yes, bring it to our attention; but when you asked for an answer, that is when you got off track, with all due respect. Bring it to our attention and say, "This is the kind of thing I am talking about." If you had stopped there, then you would have been all right. But the moment you asked the doctor, I tried to lead you in this regard by saying, "Do not push it too far, because what you are asking us to do in this committee is to adjudicate your appeal." Now, I hope it has not been adjudicated.

Mr. Lupusella: No. I brought this particular case to your attention on the basis of the answer Mr. Laughren got yesterday that doctors at the board are not the adjudicators of the claims, and here with a clear case I wanted to show that really in medical aspects of the decision-making process the adjudicators and the board rely heavily on doctors employed by the board. You rejected the allegation Mr. Laughren made without any concrete example. I have here a concrete case to support his allegation.

Mr. Chairman: Mr. Warrington would like to comment on what Mr. Lupusella is trying to bring forward.

Mr. Warrington: Mr. Lupusella, may I first say in agreement with the chairman's comments that the appeal adjudicators and the appeal boards jealously guard their responsibilities as adjudicators.

Having said that, as to the quantum of permanent partial disability, which is the subject you are discussing, in my opinion there is no question we are influenced by the medical services division. We are laymen at the appeal adjudicator level and the appeal board level, but in saying that, may I reiterate that we do not always follow the recommendations made on quantum of partial disability to the adjudication appeal board. They are influenced; there is no question about it.

Even the Ombudsman, and we have had great problems in this area, has accepted that the expertise the medical services division enjoys is something not available on the outside. As a result they rely heavily on the opinions of the medical services division experts.

Mr. Lupusella: Fair enough; we disagree, but your statement is fair. At least you stated the position of the board as to what the board does when there is an appeal. You rely heavily on the recommendations of specialists or consultants employed by the board.

Mr. Warrington: We do not always follow it.

Mr. Lupusella: What I heard yesterday was the contrary. You were rejecting the criticism raised by my friend Mr. Laughren.

Mr. Chairman: Mr. Haugh, could we ask you for your comments?

Mr. Haugh: Mr. Sweeney has asked for a little explanation of the back program to follow up on what Dr. Mitchell said before. Mr. Mancini also mentioned it the first day in his opening statement.

We have an industrial back education program that has been very active in the field for the last two years, and for about a year and a half before that, trying to effect some change in the work patterns of people in lifting and using their backs.

The program was developed in co-operation with the medical services division to use the expertise available through the back identification programs at the hospital and the doctors who are experts on that part of the body. The program has been presented to 2,570 people in industry throughout the province in the last year.

Of greater importance at this time, we have moved from trying to take our small available staff out into the province on a regular basis to a point where we are now training leaders in industry. We are training doctors and nurses throughout the province in the back education program with the use of the leaders' training guide. We have them to the hospital for a one-day seminar with the back doctors at the hospital, with the people who are knowledgeable about back problems at the hospital, with the remedial gymnasts and the physiotherapists.

The program is complete. It deals with anatomy and lifting techniques. It is supplemented by audio-visuals and films. We think it has been quite successful. A number of companies have asked us to come back on a regular basis to present the program again to a point where we can no longer meet the demand. That is why we are moving to the next phase of doing leader training and getting the material out and into the hands of other people in the communities to push the program.

Mr. Sweeney: I am sure your records would show there are certain occupations, certain industries that generate more back problems than others simply by the nature of the work. Do you have any way of getting particular access to them? Does it have to be by invitation or can you simply walk in and say, "Your records in this area are pretty bad and we insist you start making some changes"? How far can you push it?

Mr. Haugh: We have not been pushing it to that extent yet, but interestingly enough it turns

out that the industries which probably have the bigger problems have been the ones who are doing the inviting. Frankly, we have had too many requests to be able to meet all of them so we have tried to go to those industries where the need is greatest.

11:20 a.m.

We have done a lot of presentations in northern Ontario in the mining communities. We have passed the program on to the hospital safety association, which has a tremendously bad back problem among nurses in the lifting and turning of patients. We have been active in the mining community, quite active in forestry and, of late, in the supermarkets with the cash register attendants who stand all day and are lifting and turning. That has become a very big problem as well. We have a number of programs in that industry.

It turns out we have been mainly in heavy industry. Obviously, we have tried to take the program where we can get the biggest groups of people so we have gone into large, heavy industry where they could bring into the cafeteria or the meeting room a significant number of people, 35 to 40 at a session.

We have gone to plants and have stayed two and three days until we have gone through the whole work force, and then have tried to turn the program over to the company nurse so new employees can be exposed to the materials and the audio-visuals on a continuing basis as they come into that work situation.

Mr. Sweeney: I realize you have not had this too long but is there any sign it is paying off? Has there been any decline in the number of accidents in certain industries in which you have had the opportunity to participate?

Mr. Haugh: We do not have what we would call significant numbers back yet to be able to show that, but we have had the industry people coming to us and saying: "Will you come and do it again? It really helped the last time. Our incidence is down in our particular plant. We would like to have that program again because we think it has contributed."

One of the biggest problems faced by all the back education programs is trying to evaluate how well they are doing. As you know, there are a number of back programs in the community. There now is a study going on to try to evaluate the effectiveness of the different programs. We are hopeful we are going to come out with one program that will be the most effective in the long run for treating the safety aspect of back education.

Mr. Wiseman: Do you not ask when you go if they would like a follow-up on what John has asked about—

Mr. Haugh: Sure, we do.

Mr. Wiseman: —so you would know whether you should improve upon it, put more people out in the field to do this, or whatever?

Mr. Haugh: We do. We have tried to institute a study where we asked for the names of the people who have taken the course. We try to follow them. We do not make that a condition of taking the course because some people say, "If I have to put my name on a list and it is in a computer somewhere I do not want to take the course." It certainly is not a condition. But we have good co-operation, and we have quite a number of lists of names that are being followed up on through the research into the back education program. It is too early yet to get any significant feedback, unfortunately.

Mr. Sweeney: I was aware of a program in Thunder Bay that was started by one of the orthopaedic doctors there. He gained the co-operation of the local school board, the police department and, to some extent, private industry. You seemed to indicate in a previous answer that there are a number "of back injury programs out there." Is there co-ordination among all of these? Are you all doing the same kinds of things? Are you sending out different messages?

Mr. Haugh: This is the program the board is taking out to the community. There are a number of private orthopaedic specialists—Dr. Hamilton-Hall, Dr. Emery—who have their own programs which they will sell to industry. They do stress different things. Some of the programs, such as ours, deal with body mechanics and how the body moves. Some programs see a greater psychological component and stress that in their programs.

Yes, there are differences in the programs. The evaluation being done right now is trying to determine whether or not we should have more of a psychological component about back pain in our program or whether we should stick to mechanics. We are trying to answer those questions now as to what is most effective in the back education field.

Mr. Sweeney: In these early stages, is it actually an advantage to have these different kinds of programs so you can make those comparisons?

Mr. Haugh: Yes, that is what we are trying to do.

Mr. Sweeney: The main thrust of my question is that I would hope they are not in conflict with one another, to the best of your knowledge.

Mr. Haugh: To the best of my knowledge they are not. Dr. Mitchell might have a better idea of whether they conflict medically. We do not think so. They are all valuable contributions. Anything is a valuable contribution to back education.

One of the things we have stressed heavily in the program is that, to the best of our ability, there should be a medical component in the program. We think it is important there should be an outside medical person involved in the program where possible—either a doctor or a paramedical person, a nurse or physiotherapist, so there is that credibility to it, if you like, as opposed to having the personnel officer come in and do the back program.

Perhaps, when we get into anatomy and body mechanics, a personnel officer could give misleading answers. We have tried to maintain that medical component, and the leaders' education program we are running is given only to doctors or paramedical personnel at this time.

Mr. Chairman: It appears there are no further questions, so I will ask Mr. Alexander to—

Mr. Laughren: Am I on the list?

Mr. Chairman: You were on the list yesterday. I was going to ask Mr. Alexander to respond to some of the opening statements.

Hon. Mr. Alexander: I see the member for Essex South is not here. In looking over the notes I jotted down as a result of his comments, if I read them correctly, he thought a change of government would be the only way we could have changes with respect to the board.

Mr. Sweeney: You are not going to comment on that one?

Hon. Mr. Alexander: No, I am not going to comment on that one.

Hon. Mr. Alexander: He said change is slow and too little, too late. He may think there has been too little with respect to certain initiatives that have been taken by the board, but I would refer you to our access policy and to the opening of two regional offices, which will bring about a greater recognition of the problems outside Toronto vis-a-vis our local offices. The whole claim file is now at our regional offices. I can also talk about the initiative taken with respect to our hospital. The board has taken a number of initiatives that indicate to me we are concerned where we do have some failings.

He also talked about the pressures on the board. There is no question we have pressures on the board. We have pressures from members of the provincial parliament, from employers, from injured workers' consultants. We have a number of pressures, including those from the injured workers themselves. We try to be realistic with respect to the concerns that are brought to our attention and address them in the best way we can.

He also indicated that the initiatives taken—I do not know what he means by this: "Progress is progress. Improvement is improvement." I think he was implying there have been improvements. When he said, "Give credit where credit is due," I think he was implying that he could appreciate many of the things we have attempted to do, have done and are thinking of doing.

A point we should bring to your attention right now touches on another matter with respect to rehabilitation. I did not quite follow him when he mentioned something about a Mediterranean complex. He is not here, so I cannot follow that through. I want him to know I was born in Canada, so I have very little knowledge of what he means by a Mediterranean complex. I was born here on January 21, 1922. I wish he was here so I could pursue that. I think one area where we could perhaps bring about a more positive approach is with respect to what is happening about our rehab services. I will ask Art Darnbrough, who is executive director of rehab, to tell this very august group what has happened since the tabling of the report by the select committee on company law which, if I recall correctly, indicated there was significant improvement in medical rehabilitation, but that we were somewhat lacking in regard to vocational rehabilitation.

Having said that and having known what the report indicates, I am sure comments from Mr. Arthur Darnbrough would be appropriate now. Many initiatives have been taken and I call him to the front to let you know what has transpired since that time.

Mr. Darnbrough: Mr. Chairman, the report to which Mr. Alexander refers, volume 5, was tabled in 1981, I think. Of course, there have been, as he has suggested, a considerable number of changes and initiatives undertaken as a part of the board's vocational, and I emphasize "vocational," rehabilitation program since then.

11:30 a.m.

It will be of interest to the members to note that since 1980 the costs associated with rehabilitation services at the board in terms of benefits

have increased from approximately \$9 million per year to \$19 million per year in 1983 and are expected to reach \$24 million by 1984. Obviously there has been a very substantial increase in these types of payments and benefits.

Of interest as well is that more people have been successfully rehabilitated in 1983 than at any other previous date in the history of the vocational rehabilitation division. I mentioned the number 3,981 yesterday, and I emphasize to the member for Essex South that part of the reason for the success is the emphasis that has been placed on providing training programs and options for people who are unable to return to their normal employment.

Last year, all 2,400 of these special training and retraining programs were arranged for persons with disabilities. In 1981 the vocational rehabilitation division was completely reorganized, and as in any reorganization there was a time when we were not entirely settled. However, we now have four complementary operating functions within the division.

Having cleared up some of these procedures that were perhaps confusing people in the past, we were able to meet the challenges of 1982, particularly those which were devastating to the entire field of rehabilitation and not only the industrially disabled. The economic factors of 1982 and into part of 1983 caused considerable concern. If we had not adjusted and reorganized in the fashion we were commencing in 1981, we could not have hoped to have performed as well as we did in 1982 through that recessionary period.

When the case loads increased dramatically during the 1982 interval, it became as much a concern to our staff members as it did to the management of the division and to the board. The board undertook to increase the number of vocational rehabilitation counsellors who were available in the field, and in doing so added 19 counsellors to our staff throughout the province. The effect of this was a major reduction in the average case load of field counsellors in the province. We have to continue to monitor that situation now.

Mr. Alexander mentioned yesterday in referring to appeals advisers that if the best and only answer that could be available was an increase in the establishment or staff to deal with work volumes, then the board would be prepared to entertain that. I would like to add my assurance that the division will be prepared to make that recommendation if that is the answer to dealing with the case loads.

Other adjustments were made to deal with these case loads aside from increasing the staff. We had counsellors working at head office and in the office at the hospital and rehabilitation centre. We changed the work pattern of these people somewhat so they could assume some responsibility for field counselling. This had two effects. The first was that it reduced to some extent the case loads of people who were working in the field. An additional important point is that it allowed short-term counselling to take place and permitted some consistency in the relationship between the counsellor and the people coming to counsellors for assistance. It has had a positive effect in both areas.

If we go back to 1979 and 1980, the years under consideration by the select committee on company law, we find that employment blitzes conducted by the vocational rehabilitation divisions in various cities in the province numbered four. It was a starting point, no question about it.

We have found through experience that these employment blitzes have been extremely helpful in locating employment opportunities and bringing our message to employers that hiring persons with disabilities can be to their advantage and that the board has an incentive program available to them to facilitate the return of injured workers to employment. I might come back to the incentive program in a moment.

The number of blitzes we conduct has increased to an average of 10 or 11 per year. The intensity is much greater than it has been in the past. I said to you yesterday that we did not hide in 1982 when things were rough in the community, when businesses were having difficulty just keeping people on board, let alone hiring new people or advancing into new areas of production and new product lines.

We went out there and knocked on doors. We had people doing that every day of the week in this province, and that is successful. We conducted the employment blitz campaigns and took our lumps in some areas with criticisms about the level of unemployment in that community and the feeling that there was very little point in us being there attempting to find jobs for people with disabilities. But we went out and we did meet with some success in 1982 and again in 1983. We will continue these blitzes in 1984. We have 11 planned. We will be moving on April 9 to Thunder Bay and North Bay. We will be in the Oshawa area in May; we will also be in Kitchener and Windsor in May. At the end of May and the beginning of June, we will be back in the central

core of Toronto. We have had great success there and I expect we will again.

In June, we will be moving north to the Barrie, Orillia, Midland, Keswick and Orangeville areas. At the end of June, we will be coming back to Hamilton and St. Catharines. We will be in Thunder Bay and North Bay at the end of August, and in the eastern section, the Ottawa area, in September. In October, we will be in London and Sudbury, coming back again to the industrial sector in the Mississauga area.

We have a rather intensive program of blitzes planned this year, and we are looking forward to the chairman's continued support of these blitzes.

Mr. Gillies: I must have missed it, but I did not hear you mention Brantford.

Mr. Darnbrough: Brantford is not specifically mentioned. It will be included, I am sure.

Mr. Wiseman: It is a suburb of Toronto.

Mr. Sweeney: It is when you go to Hamilton.

Mr. Darnbrough: I was commenting on the chairman's

Mr. Sweeney: It is when you go to Hamilton.

Mr. Darnbrough: I was commenting on the chairman's commitment to vocational rehabilitation at the board. At this point, I need to mention that part of the reason we do blitzes is to bring our message to the employers about the hiring of injured workers and the importance of doing so.

The chairman has helped us considerably in regard to the blitzes. Over the past three years or so he has been in every major city with us as these blitzes are taking place. We have not got him actually knocking on doors yet, but he is doing everything else. He has been on radio and television programs, speaking to service clubs, conducting press conferences and so on to draw to the attention of the people in the community that we are there and the reason we are there. It has been of additional assistance to us.

The media coverage we have concentrated on in the past two or three years has also been very effective. I think some of you are familiar with the slogan that was developed towards the end of 1981 and into 1982 with the assistance of our communications division, "Back a comeback." It has been effective. We expect it to continue to be effective and we expect to continue to use it.

One of the other things implemented in 1981, and enhanced and improved through 1982 and 1983, was a computerized job bank system. It is the only one available to a compensation commission in Canada, and it has been of great assistance to us in fairly quickly bringing

together those people with disabilities who are looking for employment and those employers who have jobs available for these people. You can appreciate that particularly in larger communities, such as Metropolitan Toronto, where we have as many as 3,000 people ready and willing to go to work and several hundred job opportunities available for them, it becomes cumbersome to do this manually, with counsellors spread out across the city. Computerization has helped us to deal with that, and we have had a number of other commissions investigating this system to see whether it would be of assistance to them.

11:40 a.m.

Concentrating on an improvement of service levels also meant concentrating on the qualifications and abilities of the counselling staff within the division.

Mr. Laughren: And their case load.

Mr. Darnbrough: Their case load as well; no question. We have attempted to do that by expanding our in-house training facilities and by making available to our counselling staff the facilities of various university programs and courses that deal with the counselling of disabled individuals.

As well, we expect to be introducing, I think within the next month, a counselling service model for our field counsellors which has been developed with input from the staff and management over the past year. It outlines the various options that are available and suggests a sequence for counsellors to follow in attempting to help people to move towards the objective of employment. This is a goal-oriented philosophy we are actively participating in at this time and asking our disabled and injured workers to participate in.

Comments have been made in the past few days that certain things are expected of injured workers and that perhaps too much is expected of them. That is something I am sure will be debated long after most of us are gone from this earth, but it is still motivation and co-operation on the part of an injured person that determines whether there will be success in the rehabilitation field.

Mr. Laughren: Not if there are no jobs there.

Mr. Darnbrough: As we also observed yesterday, the jobs are increasing. Gratefully, we seem to have more opportunities now in a variety of communities than we did in 1982.

One of the other things we have concentrated on is the relationship between management and unions in the industrial field, because we have

found it necessary to work with them as best we can to help them overcome the problems of seniority that occasionally lock people out of job opportunities. We have made some good strides in that direction. Some corporations and unions have actually set aside a number of job opportunities that will be available to people who become disabled in one fashion or another during the course of their employment.

We have also sought assistance and endorsement from the Canadian Labour Congress, the Ontario Federation of Labour and local labour councils across the province. The vast majority of these organizations are supporting the return-to-work program that we are attempting to convince employers is the best route to take. We are grateful for that. We are working with individual unions, trying to help them design a contract and the wording of a contract that will allow us the inroads we need in dealing with the seniority problem.

In recent times we have started to develop and circulate to rehabilitation counsellors a regular report on employment trends and opportunities in the province. We are doing this in consultation with the six district economic advisory people who are available. We are doing it as well in concert with the universities and colleges which do this kind of work to decide which courses to add to their curriculum.

We are circulating these regularly to our counsellors. We find the counsellors are finding them helpful; they assist them in deciding and in counselling people on which courses to take and, for that matter, which areas of employment to begin looking for.

We have recently utilized the University of Guelph's facility in what I think is called human biology. In any event, we are most interested in the ergonomic section of that operation for a number of reasons. With the changes that are coming about and are being presented by technology in industry, we want to be in a position to advise employers not only about the design of the work place but also about the opportunities existent within their current plants and productivity environments.

We want to be able to show them there are jobs that can be done by people with disabilities; that with slight modifications to some of those jobs, people can handle them who otherwise would be left out. We want to be in a position to advise employers about changing the environment so they can create job opportunities.

I think it is important to bring those things out at this session, and I am pleased Mr. Alexander

gave me an opportunity to do so. It helps to put a bit of perspective on the vocational aspect of the board's program.

I would like, for another moment, to talk just quickly about some of the future things we are addressing, possibilities for the future.

The case load the member for Nickel Belt has referred to is an extremely important one. We will continue to monitor that case load. We will continue to monitor the effectiveness of counsellors working within those case-load requirements. If there is a need to change that case load, if there is a need to change the ratio between counsellors and persons who are receiving service, then we are prepared to make that recommendation and we will make it to the board.

We are also looking at implementing an automated system called Choices, which has been developed at the federal level. It is a computerized method which, as you might expect, is to help people make choices about new occupations. In this instance, we are talking about people whose disabilities have been so disruptive that they cannot take advantage of their past experiences or abilities. They will have to look for new careers and will have to make such decisions as: "Do I work nights? Do I prefer working indoors or outdoors? What wage levels do I like? Can I take shift work?" It will take people through that variety of questions before they get to questions on skills and abilities and interests in particular occupations. We hope to have that workup done early this year and to take a look at installing it within our facilities and making it available to disabled persons and to counsellors as well.

There are two other experimental things of which we have launched the front end at the present. They are not in place; we hope they will be in place before the fall. One is a job club experiment we will be conducting. The other is a group job readiness training program.

For those of you who may have heard about the job club, it is not new. However, it had not caught on in a lot of communities until the last year or so and some really remarkable successes have been demonstrated. It brings together a group of five people—although I think nine is the recommended number in the model—who are searching for employment and have that common interest, and it sets out a program for them to assist one another. It teaches them the ins and outs of looking at the labour market in deciding where the job opportunities are that are in keeping with their abilities. It helps them to

develop résumés; it teaches them telephone contact methods and prepares them for the disappointments that go along with that.

Throughout this time a single counsellor works with them to guide them towards the employment objective, but again the majority of the work in this case is being conducted by the injured people in a group setting as an assist to one another. We would like to give that a try to see whether it works and how successfully it works.

The job readiness training program is similar to that except it does not move the group with a commitment to employment for each and every one of them. It moves the group from a level of "I have not looked for work for 10 or 15 years and I am not sure how to go about it" to a level of "I now know how to present myself at interviews, prepare myself for questions that will be asked and demonstrate that, with my disability, I am the best person for this job."

We are going to be taking a more active role in research into the factors of success in rehabilitating people and returning them to employment as well as into counselling techniques and practices that are most effective for dealing with the industrially disabled community.

Also, we are going to be looking at the possibilities for bringing together advisory groups or councils, if you like, of labour and management and the Workers' Compensation Board, again with an idea of getting information from them about the prospects for employment in the new technology and the opportunities that may come about for people with disabilities.

11:50 a.m.

We are looking at the extent of training that would be required in any one of these occupations to give us some lead time, if you like, on preparing people who will have to change jobs or go to school, whether it is a matter of robotics or teaching people about the design or about the assembly of high-technology, computerized firms, such as those in the Ottawa Valley.

While the latter is essentially research at present and does not provide a lot of work or light electronics assembly work, that may be the next step. We want to know about these developments. We want to be there and have the employers prepared and convinced that we can work with them in selecting and training people to take up these occupations.

Mr. Chairman, I thank you and I hope this has been of some assistance to the committee members.

Mr. Sweeney: Coming to almost the last statement you made, it is my understanding that the Ontario Manpower Commission has a mandate to try to keep ahead of what the needs for tomorrow are going to be and to pass that information on, more likely in the new technologies.

What is your relationship with them in sharing that information so that, particularly with a handicapped person, if he is going to be retrained, he might as well be retrained for something that is going to be available a little bit down the road.

Mr. Darnbrough: The Ontario Manpower Commission has asked us in the past to participate on some of its subcommittees in the investigation stage, so we have a close relationship there. We will be familiar with the progress of their activities and they will be familiar with ours, so I hope it will be a joint effort and mutually beneficial.

Mr. Sweeney: You mentioned also that some of the new technologies in the Ottawa-Kanata area are more in research than in assembly, and yet a company like Mitel recently set up a plant in New Brunswick using relatively low-skilled labour and demonstrating pretty clearly that a lot of the assembly work can be done by people who do not have great backgrounds of information but have, say, physical dexterity with their hands as a background.

Has there been any exploration with companies like that with people, for example, who may have back injuries or leg injuries who could operate at an assembly table or whatever? Do you explore those kinds of things?

Mr. Darnbrough: This is exactly what I was indicating we would like to get into, particularly in the high-tech area, because we are not familiar with organizations at this time that may be planning to move into the assembly or production of the equipment; we are familiar only with those who are at the research and design phase.

It seems to me that what has been happening in the Ottawa area is that, while the research and development work is being done here, the construction or assembly of the equipment is being done in the United States or outside Canada or perhaps even in other provinces.

We would like very much to work with these organizations and to have them let us know when the opportunities are going to present themselves so we can help provide the people they will need to do that.

Mr. Wiseman: Right there in Carleton Place they are training people and retraining them

through Algonquin College. About 120 at a time can go into three places: Mitel, Nabu and—

Mr. Sweeney: Orchatech?

Mr. Wiseman: —Nor-Pack. They are training them and they feel they can have them about 90 per cent efficient at the end of that training. A lot of those are handicapped people; I do not know whether they are coming off workers' compensation or whether they are just handicapped, but a lot of them are there because they are able to work with their hands. It is already set up.

Mr. Darnbrough: Yes, absolutely. We are saying we want to be there when it happens.

Mr. Sweeney: Another contact that strikes me as being equally valid would be the new technology centres. These are the ones—for example, the microelectronics in Ottawa, robotics in Peterborough and CAD/CAM in Cambridge in particular—that are going out now to industry and encouraging them to adapt to these new technologies. One of the big gaps is going to be having sufficiently trained people to use them. In most cases they do not have them within their own work force.

I have a second question. Not very long ago we amended the Human Rights Code in Ontario to give protection to handicapped people. Many of the ones you would be rehabilitating could be described as being handicapped in some way.

Has that code been effective or ineffective? Has it been helpful or unhelpful? Are other things required in order for you to do your job? Are you running into obstacles you do not believe you should be running into?

Mr. Darnbrough: We welcomed the code; we were grateful to see it, and I think a lot of people were, obviously. We have a piece of legislation now that means something, has some teeth in it. People understand it is going to be helpful for those people in the disabled community, if I can use that expression.

We have had difficulties over the years with some employers, no question about it. We have had complaints that some employers did not want to rehire people with back disabilities. We are concerned about it. We sent representatives to those companies, and have done so for years, to encourage them to employ people with disabilities. We pointed out the advantages to them.

A lot of times these barriers to disabled people—the attitude barriers, if you like—are based on a misunderstanding of the real situation. When the companies are informed, and understand it and know the advantages, they usually come around.

The code in place right now has helped us and will continue to help us as more and more people become adjusted to truly understanding what it means.

Mr. Laughren: Have you ever referred a problem to the Ontario Human Rights Commission when a company does not co-operate by making a light-duty job or other work available to someone who has a compensation claim?

Mr. Darnbrough: I do not know if someone in our organization has done that. I personally have not. I do not expect that rehabilitation counsellors, by policy of the board, will do that. By our policy though, clearly, we want the injured workers and the employers to understand that the code exists and we will take the time, whenever one of these complaints is brought to our attention, to explain the rights that people have under the code.

Our counsellors have been completely trained in the meaning and understanding of the code. We had specialists come to us and conduct courses for our counsellors so that they would be prepared to deal with employers who presented this problem to us and to deal with injured workers who came to us with complaints.

The question—and it is a fine line, Mr. Laughren—is whether the board is in the position to be the monitoring or the policing force for a human rights code, or whether that is someone else's direct duty. What we can do as good citizens is advise people that this is a course of action available to them.

Mr. Laughren: The reason I think there should be a role for the Workers' Compensation Board is that the worker, himself or herself, is in an impossible situation trying to pursue it alone. The work environment might be pretty sad if they take it to the human rights commission and win, for example.

Mr. Darnbrough: To put this on a practical level, if an injured worker came to a counsellor and said, "Look, I went to this company and, clearly, they have turned me out because of this," our approach would be to go back to that company with the worker and make them aware of the situation they are in and try to deal with it on a first-hand level.

Mr. Laughren: I agree with you, but when that does not work—

Mr. Darnbrough: If that does not work, then we advise the worker that he has this facility to make a complaint before the human rights commission to have it dealt with that way.

Mr. Laughren: You do make sure the worker knows that?

Mr. Darnbrough: Yes.

Mr. Laughren: We found in Sudbury, for example, years ago, that there were all sorts of light-duty jobs available, but when the crunch comes, you know and I know that those light-duty jobs just disappear as though they had never existed.

Mr. Darnbrough: Last in, first out. I know what that means to disabled people.

Mr. Laughren: There needs to be real aggression on the part of the board to do what it can. I know it is a tough job, but it is that important.

Mr. Darnbrough: It certainly is.

Hon. Mr. Alexander: On that note, I recall that one of our advertisements said, I believe, "Back a comeback." Someone wrote to us—I think it was the Industrial Accident Victims Group of Ontario—saying they thought we were remiss in not pointing out the contents of the code to employers. We have looked at that and our advertisements have been updated accordingly.

When I have the opportunity of going to the people in terms of bringing to their attention board policy, I will now make a practice of advising employers, particularly on these employment blitzes, that the discriminatory attitude they have with respect to rehabilitated injured workers is not one that we can appreciate and they are subject to some form of action if it ever gets before the code process. I intend to bring that to their attention.

12 noon

Mr. Laughren: Mr. Alexander, when I hear you say you are upgrading the quality of the ads of the board, my heart just beats a little faster. If you can convince the safety associations to do the same thing, my goodness, the adrenalin will be pumping so fast I will not be able to stand it.

Hon. Mr. Alexander: Let me say something that will make it pump a little faster then. As you know, and I alluded to it in my speech, in 1982 the board was responsible for safety education in terms of paying money to the nine safety associations. We have signed an agreement with all the safety associations, together with the Ontario Federation of Labour, to let them understand that this matter is under the direction and control of the board.

Further, we are trying to arrive at a structure whereby we can see to it that the concerns you register will be brought to this particular structure. In other words, we are trying to get away

from the duplication, and we are trying to bring about more meaningful advertisements.

All this is certainly on top of our list for action in the future. Hopefully, in the long run we will have the kind of advertisements you want to see, which are not directed to the employee or the injured worker. In other words, I think you are telling me there is no fault in the footsteps of the employer in all those ads. I think we are well aware of your concerns but we are meeting them.

Mr. Laughren: All right. I hope you are serious about that. You are interested in prevention if for no other reason—I am not saying it is the only reason—than the cost of accidents. Therefore, the preventive aspect has to be in those ads. I will know you are serious when I see an ad that says to a worker he or she has the right to refuse dangerous work. I will then know you are serious about prevention.

Mr. Mr. Alexander: I think you are bringing this into the area of the Ministry of Labour.

Mr. Laughren: No, I am not.

Hon. Mr. Alexander: Sir, we are going to try our best to meet your expectations.

Mr. Laughren: I will know you are serious when I see that in your ad.

Hon. Mr. Alexander: I am serious and we will try our best.

Mr. Laughren: I will look for the ads then.

Hon. Mr. Alexander: As you know, the ads are within the domain of the safety associations.

Mr. Laughren: You control them. You said that.

Hon. Mr. Alexander: Now, as I said, we are trying, in due course, to bring this whole gamut under the direction and control of the board.

Mr. Laughren: I can hardly wait to see that, Mr. Alexander.

Hon. Mr. Alexander: I hope you are here after the next election, sir.

Mr. Laughren: What has this got to do with the next election?

Hon. Mr. Alexander: So you can see just what we will do.

Mr. Chairman: Do not be too nice to him.

Mr. Laughren: Can I quote you on that, that you hope I will be here after the next election?

Mr. Gillies: I want to make it clear that Mr. Alexander again is not speaking for the ministry.

Mr. Laughren: Or anybody else on the board, I might add.

Mr. Lupusella: In my opening statement, I raised several questions. Even though we are

going to sit until 4:30 this afternoon, I would be glad to have an answer to my questions.

Hon. Mr. Alexander: Yes, as a matter of fact, I was going to.

Mr. Chairman: Mr. Alexander was going to go through that.

Mr. Lupusella: Yes, I would like an answer.

Mr. Chairman: Wait until Mr. Alexander responds.

Hon. Mr. Alexander: If you want to ask a question on the rehabs—

Mr. Lupusella: Yes.

Hon. Mr. Alexander: Sure, go ahead, because I had you next. You have a long litany of questions.

Mr. Lupusella: I knew you had not forgotten about my opening statement. Because we are on the field of rehabilitation, maybe we can pinpoint the questions which are based on the annual report printed by the Workers' Compensation Board. On page 15 of the report, you stated that 3,482 injured workers were rehabilitated in 1982. If I have the wrong figures, by all means correct me.

The report also says, "Of these, 2,705 were returned to work and an additional 777, who will not be returning to employment, were assisted in achieving financial self-sufficiency." Would you please explain that to me, because I do not understand it? I know the meaning of financial self-sufficiency but I do not relate the terminology to these people who never returned to work, the 777 of them. What is it? Do you have a special program I am not aware of?

Mr. Darnbrough: Yes, in fact we do. What we are saying here is that while our objective is primarily to return people to employment, and to help them to return to employment, some of the very serious disabilities and other disabilities that are not so apparently serious, prevent people from returning to employment. These people make the decision to withdraw from the labour force and say, "Thank you very much for your good intentions and rehabilitation but I will not be returning to the work force."

At that time, we ask our counselling people, who are familiar with the ins and outs of the various social agencies, benefits programs and community services that are available to people on a voluntary basis, to spend some time working with these individuals and, wherever possible, to help them to reach what might be called "financial self-sufficiency."

So we will direct these people who have decided not to return to employment, and until

their WCB pension has been sorted out we will help them to look at pension plans that may be available to them through the employers they were working with when they were hurt, through Canada pension plan, if that is an available option, or through anything that may be involved with the Department of Veterans Affairs.

We will also help them to look at their personal financial situation, income from their own investments, because sometimes we find that people who withdraw from the market and say, "I will not be returning to employment, thank you," reach that conclusion having looked at their total situation, including their financial situation. They say, "I am financially well off enough that I will not attempt to go back to work with these disabilities." We try to look at all those aspects with people to help them to reach that financial self-sufficiency level.

Mr. Lupusella: I understand your definition, but you have to agree with me that we get back to the principle that the public sector has to subsidize these people who will never return to work to achieve this financial self-sufficiency. I was of the opinion—

Mr. Darnbrough: That has just been dealt with.

Mr. Lupusella: That is what I understood at the very beginning.

Mr. Darnbrough: I think what you need to understand as well is that some of these people do not have major disabilities and would not otherwise be prevented from returning to their employment as a result of the industrial injury. They have conditions of a nonindustrial nature that came on after the accident took place, everything from heart conditions to arterial problems. They are things that have developed, which, in combination with the industrial injury for which the board and the act are responsible, make it impossible for them to return to work. We do not turn our backs on those people at that point. We help them from a counselling perspective to maximize their financial arrangements and try to live that way.

Mr. Lupusella: Why do they have a hard time if some day, maybe one or two years later, they decide to approach the rehabilitation department and find their file has been completely closed for different reasons, which you emphasized just a few minutes ago? Why do they have a hard time reopening rehabilitation assistance with your department?

I understand the principle that some of the injured workers might apply for CPP and one of

the requirements is that they must be totally and permanently disabled for the rest of their lives. I am faced with some people at my office who are willing to give up their CPP if an opportunity arises. But again they encounter problems with the rehabilitation department because their file has been completely closed. This achievement of financial self-sufficiency—I do not like the wording and would use something else—

Mr. Darnbrough: I welcome a suggestion, Mr. Lupusella.

Mr. Lupusella: I know it will be more offensive. Why do they have a hard time from your department in trying to get their file reopened if they decide the opposite after a few years?

Mr. Darnbrough: You mentioned this in your remarks yesterday, and I made a note of it then. I do not understand why that should exist. The counsellors know that people who have disabilities and who are willing and co-operative in searching for employment are going to get counselling service. That applies five years after the accident or two days after the accident. The service is still there. I can only assure you I will look into that. If some changes need to be made, they can be made.

Mr. Lupusella: It makes extra work for people to go through the appeal system.

Mr. Darnbrough: I hope not.

Mr. Lupusella: Maybe you enjoy my presence down there. I do not know.

Mr. Darnbrough: Very much.

12:10 p.m.

Mr. Lupusella: Of the 2,705 injured workers who returned to work, how many of them were rehired by their previous employers? Do you have a figure?

Mr. Darnbrough: There were 991, approximately one third. The rest returned to new employers and new employment.

Mr. Lupusella: Of the 991, how many returned to work at their pre-injury wage rates?

Mr. Darnbrough: That is not something we have traditionally recorded in every case. I can give you an answer that I hope will help somewhat, but it will not be the direct answer to your question. I hope to have that next year when we have the rest of our record system in place.

Mr. Lupusella: That is too long. We might have a new government around and an election between now and then.

Mr. Darnbrough: In the meantime, of those who have returned to work, the average rate in

these new employment opportunities now is \$6.50 per hour, or \$260 a week on average. Obviously some are more and some are less.

Mr. Lupusella: So you do not have any actual statistical data on how many of them may have returned to the same occupation or category?

Mr. Darnbrough: You asked about the change between the skilled and unskilled, if my notes from your opening question are correct, and how many went from skilled to unskilled occupations. Again, I do not have the data recorded in that fashion. We do know those who went back to occupations and what they went to. What is important to realize here is that while I cannot answer that question, I also cannot answer how many went from unskilled to skilled in finding employment after we trained them at the community college level and things like that. I cannot answer that from either side. I hope to be able to do that in a year or so.

In the meantime, it is important to remember that supplements are available to these people when they return to employment that is below the earnings capacity or potential they had at the time of the accident. They are eligible for the supplements under the act, which at least brings them back up to the difference between their pay and the maximum compensation payments from the board until such time as their salaries catch up.

As you know, even when I talk about \$6.50 an hour as being an average rate, that is usually a starting rate of some kind and is added to when someone goes on to permanent employment level or moves through the ladder of progress that particular company offers; so the situation changes after it starts.

Mr. Lupusella: The other question which puzzles me is why the board chooses a seven-week assessment training course either at COSTI or the other agencies. How did you pick on this number of seven weeks?

Mr. Darnbrough: Seven weeks is a condition of the particular agency you are talking about now. They have found from their experience that to do a proper evaluation on the type of people—and I should come back to that—who are generally sent there for assessments, seven weeks is the time interval they like to use. The Chedoke medical clinic uses six weeks as a base rate and sometimes moves on from that. The March of Dimes and Goodwill do assessments, and they each have their own idea of how long it takes to assess people.

Maybe I should back up just for a second and say that the assessments include a number of

things and are generally used when the counselor has encountered some difficulties in motivation—understanding why a person who seems to have enough in the way of physical abilities to return to work, for whatever reason, is not getting there. Something is not happening that should be happening.

In those kinds of cases, we make use of assessment agencies. We have people go there where they can be reviewed, on a regular, full-day basis, by people with the expertise to determine how much they are capable of doing and to look at the physical aspects, the motivation, how they work with other people and relate to other people and try to see whether there are some things that can be done in that regard to move them into an employment situation.

The original question of how long, is a subject we discuss from time to time with the agency, but they set those times.

Mr. Lupusella: I have a problem with the procedure used by these rehabilitation agencies. They raise several questions on a daily basis, either in the morning or in the afternoon. They ask: "How do you feel today? How does your back feel? Do you have a headache?" They ask that of those who have had head injuries. Of course, injured workers are trapped by this pressure. That is how I can see some sort of correlation between the final decision taken by the board and the reports sent by these agencies to the board that injured workers are self-imposing restrictions and therefore do not get the supplementary pension.

If there is a permanent disability involved—let us say it is 15 per cent for my back; I have a problem on a daily basis—why do they ask these questions? Injured workers are trapped by these questions, and rehabilitation officers or other people employed by the agencies looking after injured workers get the bad feeling that the injured workers either do not want to proceed with the assessments or are complaining so much that it is time to terminate the seven weeks.

Why do you not use a different approach? "You are here at this agency to be rehabilitated. Here are the requirements to be successful. If you stay here, you will be paid for this amount of time. Then we will get into active job searching based on the capabilities you have to perform and we will try to find you a job. We are going to give you a wage loss supplement."

Injured workers do not know the law. They are trapped by the question "How do you feel?" Surely they do not have to explain their physical condition to the rehabilitation officers or to the

people involved in the rehabilitation process. If I have a permanent disability pension of 10, 15 or 30 per cent, surely I have a complaint, but the complaint should not be an impediment so that I am imposing self-restrictions on what I do during the training course.

Why do you not use the opposite side of the rehabilitation aspect? Explain to the injured worker: "Here is our goal, our aim. This is what we expect you to do. These are the benefits in relation to financial commitment from the board. If we find you a job, you are going to get a wage loss supplement and so on instead of being trapped if you get a job for \$2." If I used to get \$10, I would refuse a job for \$2 if I did not know I was eligible for a wage loss supplement under the act.

Why do you not use that approach instead of trapping people in the middle of these questions? I think it is the wrong approach.

Mr. Darnbrough: So do I. I agree with what you are saying.

Mr. Lupusella: I am sure the training assessment courses most of the time are a disaster because people do not know what the hell is going on.

Mr. Darnbrough: You have to differentiate a little between a training course and an assessment.

In any event, I agree with your comments about communication so the individual fully understands the environment he is going into and the reason he is going into that environment. I cannot and will not disagree with that. I would expect the counselling people, whether they belong to the agency or to the board, would go through the exercise of making that clear and having that relationship understood before the assessment takes place.

I want to comment for a minute. There may be some misunderstanding about the significance of an agency report. Whether it comes to us from the March of Dimes, Chedoke Hospital or from an assessment unit anywhere else in the province, I want you to know that report in and of itself is not necessarily the reason a decision is taken.

In fact, the opposite is true. That report becomes one of many reports that are available in the file, in normal search situations a long history of the relationship between the injured worker and the counsellor, the counsellor's observations of the injured worker's real intentions about returning to employment and his real efforts and desires towards

schooling, education or getting himself ready for a job. Also, the medical reports are already available to us from the family doctor and the surgeon, or perhaps even from a visit to our own hospital and rehabilitation centre.

Nothing is taken in isolation. Because we get a report from one of these agencies and it happens to say, "Mr. So and So seems unco-operative," or, as you mentioned yesterday, "Mr. So and So seems unemployable," we do not make a decision based entirely on that report.

Mr. Lupusella: I have cases here.

Mr. Darnbrough: I am sure you do.

Mr. Lupusella: I do not want to get into them.

12:20 p.m.

Mr. Darnbrough: I have seen these assessments myself from a variety of organizations. That is one of their responsibilities, by the way, when they take people there and assess them. If the decision happens to be, "In our professional opinion this person is unemployable for these reasons," then I expect them to put that on the report when they send it out.

The thing I want to make clear to you is that the report is viewed in addition to all the information being collected in the case; in other words, the reality. That report is not the only item that is used when we make a decision.

Mr. Lupusella: You are talking about theory, but the practice is different.

Mr. Darnbrough: I can appreciate that your experience may be different, but I—

Mr. Lupusella: This is not a typical example, but it is a case. I can bring hundreds of such cases here. An injured lady with a 10 per cent disability pension was sent to COSTI for an assessment period of seven weeks. In the third week she was faced with acute pain in her back and she was taken to the hospital by ambulance. The family doctor supported the principle that she was totally disabled for a certain period of time because of the aggravation of her back. It might be on a temporary basis, but the aggravation took place.

First, she was dismissed by COSTI. She was not recalled because of the self-restriction limitations imposed over her activities. She did not get full compensation, even though she had good medical evidence that for a short period of time she was totally disabled. I am faced with another appeal. I do not want to mention the name, because we might jeopardize—

Mr. Mancini: No, no, Tony, it might get shot down.

Mr. Lupusella: I have another appeal, to get her back to the rehabilitation process. Her file was completely closed. We are exaggerating, I guess, and I know you mean well—you are trying to explain the position of the board—but in practice that is not what I see from the case work.

At any rate, let me ask you another question about the 777 others who did not return to work.

Mr. Darnbrough: There was a question on self-sufficiency.

Mr. Lupusella: I asked a question about financial self-sufficiency.

Mr. Darnbrough: I think you had one on the length of service in some of the cases, if I remember correctly.

Mr. Lupusella: Yes.

Mr. Darnbrough: In 1982 the average length of service or involvement by a rehabilitation counsellor in these cases was 10 months. I think your question was framed that way.

Mr. Lupusella: You do not have figures to show how many of the 777 qualified for Canada pension plan disability benefits or welfare?

Mr. Darnbrough: No, we have not. This is something that may be of interest to us; enough interest has been expressed here. I notice there are organizations in the United States. I read a report just last week that goes into considerable detail as to age groups, occupations before and after, other forms of income, even personal income, and puts them into a percentage in dealing with these kinds of cases. There is room for us to improve in keeping this kind of statistical information.

As we talk about increasing statistics and monitoring the service and things of that nature, I hope you will remember the comments that were made yesterday about the board's interest in statistics, monitoring and so on. You seemed negative. You cannot have it both ways. I am agreeing with what you are saying; I would like to have more statistics and to use them in a positive fashion to improve our service.

Mr. Lupusella: My other question concerns the follow-up on the rehabilitation efforts. At what intervals, following the return to work of an injured worker, is contact made by a rehabilitation officer? I am asking this question because an individual got back to work with the assistance of the rehabilitation officer, is still working, and there was a wage loss clause implemented, but the rehabilitation officer never got involved with this man and I dealt with the case again. He is not a constituent of mine. Maybe because I am a humanitarian, I am taking cases all over.

Mr. Darnbrough: With the case load you have now?

Mr. Lupusella: I submitted statements from the employer so the wage loss clause would be implemented. The board took the position that he would get a wage loss supplement for a period of four or five months, to be reviewed after five months. The contact was never made with the injured worker. I wrote a letter to the board and told them it is their responsibility to get in touch with the employer, who has to submit the information.

If there is an increase in the salary, of course, the wage loss supplement has to diminish accordingly. The injured worker was Portuguese and did not speak English. He said, "I do not know what to tell them if I go to 2 Bloor Street East." I wrote a letter to clarify the situation and spoke to some people there. It is the duty of the rehabilitation officer to do this work.

Mr. Darnbrough: If the rehabilitation officer had been involved in the placement, by all means it is the rehabilitation counsellor's responsibility to follow up on it, and I would expect that would take place. In some subsection 43(5) supplements, of course, no rehabilitation counsellor is involved; it is a direct placement on the part of the individual.

To come back to your basic question about follow-ups, yesterday there was an opportunity here to address that; I think the member for Essex South (Mr. Mancini) was concerned about this subject. Just quickly, on a direct placement of a worker from injury into an employment situation, having negotiated that placement with the employer and the injured worker, who agreed, "I can do the job; I will start on Monday, everything looks as if it will be all right and there is no need to train" and so on, in those cases the rehabilitation counsellor would have at least two more visits to the employer and to the worker, because the follow-up period is between four and six weeks before we actually close the case.

But what is most important is that both parties, the employer and the worker, understand that if any difficulty develops, they should get in touch with rehabilitation and we start the process over again.

That is what is supposed to happen. If the follow-up period changes—

Mr. Lupusella: Yes, but this process is not working. I can understand the employer's position. He is busy with his business; he does not want to get into more bureaucratic paper to be sent to the board.

Mr. Darnbrough: We do not have a lot of paper for them to get involved with, Mr. Lupusella. What I am trying to tell you is that if the worker encounters a problem more than six weeks after a direct placement into a job he is fully qualified to do, and if we have helped him get there, then the worker is informed that he is to get in touch with us again. We will go back and see what we can do, and if it means reopening the case—since I know your concern about that—then we will do it.

Mr. Lupusella: I think the follow-up process is important and vital. If the contact is not made and the injured worker is not getting the money from the board in relation to the wage loss clause, it might jeopardize the course of the job the rehabilitation officer was successful in finding for him or her.

Mr. Darnbrough: I think you would like to know what the situation is as long as six months after a placement, and that is something I intend to be doing. There are some pros and cons about going back into an employer's setting and finding out what is going on after a proper placement has been made, but I think we need to know that kind of information.

The second part of follow-up deals with those who are placed not directly in a job they can do but, rather, in an assessment environment. You are familiar with that. It is where the board puts someone in an employment setting for four or six

weeks to see whether he matches up with the job, is going to enjoy it, likes it and can handle it, and the employer feels the same about the employee.

In those cases there is a continuous follow-up from the day the placement takes place with the rehabilitation counsellor, the employer and the worker; if it changes into a training program rather than an acceptance of permanent employment, then the follow-up continues again on a regular basis by the counsellor throughout the training program. That can go on for as long as a year.

What we are really saying is that we have arranged a placement; there is an assessment period of four to six weeks; there is a training period of approximately a year—now we are looking at 13 months—and he is accepted into full employment. The counsellor still has to follow it up for another four to six weeks to make sure things are in order before he can officially close the case. That adds to our duration of service—the comments I made earlier—but there is a long follow-up in those kinds of cases.

12:30 p.m.

Mr. Lupusella: I hope these guidelines will be strictly followed by the people involved in the injured worker's rehabilitation process, because there are some problems created by them.

The committee recessed at 12:30 p.m.

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No. R-6

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Annual Report, Workers' Compensation Board, 1982



Third Session, 32nd Parliament

Thursday, March 8, 1984

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, March 8, 1984

The committee resumed at 2:12 p.m. in room 151.

ANNUAL REPORT, WORKERS' COMPENSATION BOARD, 1982 (concluded)

Mr. Wiseman: Mr. Chairman, there is something I do not recall being covered. With the occupational health and safety branch and the Workers' Compensation Board, I suppose some areas work side by side. I wonder if Mr. Alexander could highlight areas in the work place where there are a lot of accidents. How closely do you work? Do you tell the occupational health and safety people, "We are getting a lot of accidents from this plant with this machine"?"

I am thinking of a plant in my area where there was a stamping machine and people were always losing a finger or part of a hand or whatever. Down the road, we are getting into robots and that sort of thing. We have opened the Ontario Centre for Robotics for that. If you get a lot of complaints about something like that and pay a lot of claims, do you have a close working relationship with your sister or brother agency to tell it that, so perhaps it could go to the robotic research and development place to develop a robot that could do that rather than having people continue to lose their fingers, hands or whatever?

Hon. Mr. Alexander: I believe there is with respect to occupational health and safety. If I am not mistaken, all accident reports that are filed in due course find themselves in the Ministry of Labour office. I do not know what happens with them from then on. There is a lot of liaison between Dr. Ann Robinson and our board with respect to the question of occupational health and safety. I know the deputy minister would be more versed in the extent to which there is an ongoing relationship. I do know all accident reports eventually find themselves at the minister's office.

Mr. Wiseman: As a layman, it seems to me to be an opportunity to try to correct it, to work together and so on.

Mr. Armstrong: The form 7s, which are the mandatory reporting forms of accidents, as a matter of course are transmitted to the occupational health and safety division within a matter

of a couple of days, if not hours, of receipt. In the research branch at the Ministry of Labour, we have a work injury information system which is putting that material on computer. The reports then go out to the field branches: construction, mining and industrial. Whatever appropriate increased inspection activity is necessary as a result of those reports takes place.

Just to reiterate what the chairman said, the relationship is close and I believe working effectively.

Mr. Wiseman: It just had not been touched on. I can see certain areas overlapping a bit there. It is good you are working together.

Hon. Mr. Alexander: I think we are ready for Mr. Lupusella now. His opening statement was really couched in terms of questions. Then he got into his opening statement later on. I will try to run through the questions, but rather than run through them, I will hit the areas about which I know he had some concern.

You were talking about the process in claims. There have been several initiatives taken in that regard. Rather than me trying to eat up your time, I would ask Mr. Sam Van Clieaf to elucidate right now for the benefit of us all. I know of some very major initiatives that have been taken in the claims area, which I hope will answer some of the questions you have in mind.

Mr. Van Clieaf: In October 1982, we embarked on a reorganization within the claims services division. We concentrated our efforts within the claims adjudication branch where the original decisions on claim entitlement and continuing payments are made.

There were a number of features we wanted to incorporate into the reorganization. The first of these was to really improve the communications link between injured workers and the decision-makers, the claims adjudicators.

Prior to October 1982, we had a telephone answering network where telephone inquiry clerks fielded calls and oftentimes then requested claim files, did their best to answer the questions and returned the calls. In certain cases where the worker wanted to speak directly to the claims adjudicator, they would pass the call through.

As part of our reorganization, we eliminated 30 of those telephone answering positions and

turned those positions into jobs for claims adjudicators. In reality, there was an enhancement of 30 claims adjudicators.

Our reorganization really consisted of two phases. The first phase was to create an initial adjudication claims section. We bolstered the number of adjudicators who were handling new claims by 15 people. Of the 15, we also added senior people to those ranks, because with new claims reported there is a degree of difficulty in adjudicating claims. There are the schedule 3 diseases, heart attacks and this type of thing. It requires greater expertise, so we added adjudicators with greater experience to the initial function.

Along with that, we provided each of the adjudicators with his or her own telephone line and reorganized the hookup of where calls came in so they would be answered initially by a telephone answering clerk. Through the use of our computer terminals, once the claim number was known she could identify which adjudicator was handling the case and transfer that call directly to the claims adjudicator. We created that section in October, and by the end of 1982 it was up and operating with additional manpower.

2:20 p.m.

The next phase was to do some work in our continuing disability sections. Additional personnel, again from the positions I mentioned, were added to the continuing sections. We also reorganized the structure of the continuing section. By a continuing section I mean that for each terminal digit from the numbers zero to nine there is a continuing section. We created three teams within each section, two teams of senior adjudicators with five adjudicators on each team, and one team of junior adjudicators with six adjudicators on each team. The difference between senior adjudicators and junior adjudicators is based on the complexity of the injury.

The junior adjudicators would be handling cuts, lacerations, bruises, minor fractures to fingers and toes, that sort of thing. The senior adjudicators, with greater experience, are handling back injuries, head injuries and joint injuries.

Another one of the features in the restructuring of both the initial section and the continuing section was to allocate the claim to an adjudicator and leave the claim with that adjudicator. In the past we have had many suggestions that this would be desirable as opposed to transferring the file from adjudicator to adjudicator, so we were looking for some continuity the injured worker could establish with the claims adjudicator.

We began the phase-in of our continuing sections in February-March 1983 and over a three-month period we gradually converted one section after another until they were all in place. It is working quite well. It took the adjudicators a while to get accustomed to dealing with telephone inquiries.

While I am on the topic of telephones, I believe it has been mentioned during the course of the proceedings that the board has embarked on installing a new telephone system, and this is going to enhance the abilities of the adjudicators and the people directing calls to adjudicators in the future.

For instance, an adjudicator is not always at his or her desk. With our current telephone system it was very awkward when someone was away and the person answering the phone was not aware of it. The call would go to that desk, and it would have to be handled by another adjudicator who was not necessarily familiar with the claim.

With the new system, we will have the ability for the adjudicator to notify the switchboard that he or she will be temporarily absent. He can notify the adjudicator sitting beside him to take his calls. Our response from the client public has been reasonably good. They can get through to their claims adjudicators now. We still do have some concerns with the file always being instantly available, but that certainly has been alleviated to the extent that we are getting the call to the correct adjudicator at this stage of the game, and even if the file is not always immediately on their desk or immediately available to them, it could be with the section medical adviser or some such thing, but through memory they can often deal with the injured worker. Another part of the reorganization was the capability we have introduced of being able to control the case loads of the claims adjudicators through our system. We have a daily printout of the active case load on each adjudicator's desk and in this way we do not get terrible fluctuations among adjudicators within a section where one could possibly have up to 400 cases or something such as that, and another might be down at 250.

Mr. Laughren: As bad as the rehabilitation counsellors.

Mr. Van Clieaf: As bad as the rehab counsellors. In monitoring case loads under the reorganization, we reviewed and re-established what we felt were realistic case loads for our claims adjudicators, appreciating that new recruits, those freshly out of training, would not be able to handle the same type of load as an

experienced, fully qualified adjudicator. We can now monitor their case loads so they are not initially inundated.

We control the total case load for the team and each adjudicator within the team. I guess we were really doing very well until about April 1983 because there was a decline in new claims for some six months prior to that date, but since April and up to the present time, each month there has been an increase in the number of claims reported, so our case loads have risen to the point where they are now about eight to 10 files above what we would like to see as an optimum case load for adjudicators.

Mr. Darnbrough mentions he is concerned about case loads if that trend continues; so am I. I will go back to the board to look for an establishment based on what we can reasonably expect our people to do.

Beyond that and the new telephone system coming in, we have also expanded in other ways. There are the computer facilities. It is expected that by about June of this year we will have in place a visual display unit or computer terminal, if you like, between each two claims adjudicators. There will be ready access, if not to the claim file at least to the information that is available on the computer. There will be a sharing of one unit for each two claims adjudicators.

Along with that there are other features that will be incorporated in the new system. There will be the ability to authorize payments right on the machine as they are processing a case or as they are talking on the phone, even to the extent of being able to change an address on the computer, have the computer receive the information and let us know it has received it.

I expect this will cut out to a large extent some of the problems we have had in the past where we had to authorize the payment and then it went through a data process entry form overnight and was run against the computer. Something could go wrong, somebody make a mistake, so that the next morning, instead of a cheque going out one finds out the data has bounced for one reason or another. With the on-line entry format the computer will let us know it has received the information and verify it, then one can be certain the authorized payment will proceed. The reorganization is moving along. We are currently conducting a review of what we have achieved through it. That will be reported on in the near future. The managers and supervisors in the branch are evaluating all aspects of it. They should have some clear results on how we are doing from the standpoint of keeping payments

up to date, what the delays are in the initial claims, how many are behind and to what length they are behind. We can use those comparisons to see how we have managed to reverse things and improve services for the injured workers.

Mr. Lupusella: I have a few questions about communications. My first question is based on the principle that even though there is access for the injured person to speak directly to a claims adjudicator or any other person and so on, as I stated in my opening remarks I tried several times to get through the new system which is in place and, as you stated, someone answered and said, "Would you please leave your name and phone number and you will receive a phone call from the person you are looking for."

I said, "What time are you expecting that person?" I was told: "She is in a meeting. She might be back around three o'clock or 3:30. Would you please call later." I was following this pattern to find out how the system functioned. I was not able to get hold of that person.

Again, I phoned the 21st floor to my counselling specialist. I said: "You should help me because I cannot talk to this claims adjudicator. She is always busy." The counselling specialist got involved.

2:30 p.m.

If I had this problem—and I know how the system works—I would like to study the situation of an injured person who is trying to get through the system. Since 1914 we have been faced with several restructuring processes of the board. It appears criticism, new problems are always in front of you. We are talking about introducing new technology, a new telephone system and new structural changes within the board and so on.

Again, based on my own experience, I foresee some problems, maybe because the system is not completely transplanted within the system or is still too young. I think the injured worker will have more problems getting through the system.

Mr. Van Clieaf: If I might respond to that, Mr. Lupusella, there is another feature of the new telephone system I did not mention. I did say each of the claims adjudicators will now have his or her own line. What I did not mention is that with this, an injured worker will be able to bypass the telephone answering station and call the adjudicator directly. The phone will ring on that adjudicator's desk.

I appreciate a difficulty will still exist in direct contact until the worker has spoken to the claims adjudicator for the first time. We are looking at ways and means of being able to tell the worker in

advance of the direct line to the claims adjudicator. There are some technical problems with that.

Certainly, once the injured worker or a representative has spoken to the adjudicator for the first time, the adjudicator will be encouraged to, and I am sure will, give out the number of that direct line for the person to call, totally bypass any telephone answering mechanism and get directly to the claims adjudicator.

There are some additional difficulties relating to the use of Zenith lines throughout the province. If you are living in an area such as Windsor and you are calling you will get the Windsor area office, which in turn will contact the adjudicator if necessary for a decision. If it is an answer they can provide they will provide it.

We will start off by being able to deal with the greater Metropolitan Toronto area and from there we will look at ways and means of expanding the service across the province.

Mr. Wiseman: On the matter of the telephone system, I do not know how sophisticated it is but you can go one step further. If an adjudicator had to leave his or her office, you could have those calls easily transferred under the new system to another office or wherever that person is.

Mr. Van Clieaf: Yes.

Mr. Wiseman: That costs very little money. It would be one more step to getting closer to the people, if you thought you wanted to go that route. With a new system you can do that.

Hon. Mr. Alexander: I think that is part of the plan in the state of the art of the system.

Mr. Wiseman: We were looking at it for the Ministry of Government Services. Our old system would not take it, but their new system probably would.

Mr. Van Clieaf: Notwithstanding my remarks, there is no justification I can give you for someone trying to get through the system and being unsuccessful, which you mentioned. Our people do have work standards relating to answering telephone inquiries. When they say they will call back or a message is left that you will be called back, you should be called back, and within 48 hours, either to give you an answer to the questions that have been posed or, if they could not be answered at that time, to at least bring you up to date on what is being done.

Mr. Mancini: Excuse me, are you serious? Is it 48 hours?

Mr. Van Clieaf: If you have spoken to someone and he does not have the answer or the claim was not immediately available to him, he

would take the inquiry. If he could not answer it, he would get back to you within 48 hours to let you know the answer.

As I say, if they could not give you the full answer, they will at least get back to you and let you know what is being done about it, to say they had not forgotten you.

Mr. Lupusella: I accept your explanation, but let me give you the perspective of the injured worker trying to call and being unable to get through the system. There is the injured worker who has to go for active treatment and leaves a message. The phone call is returned and he is out for active medical treatment or physiotherapy or specialist appointments or doctors' appointments and so on. The end of the work day is at 4:30 and the problem will continue like this.

For me there is no problem to get back a phone call from an adjudicator, even after three days, because I know how to get back to him or to her.

Let us say an injured worker has to go out and look for a light job to be eligible for the supplementary pension. He is out on the road, and eventually spends half an hour or one hour at home trying to reach the adjudicator to give further information which might help the adjudicator reach a better decision. Then he has to go back and look for a light job again. The end of the day is 4:30; and again, problems.

I am trying to interpret the situation from the perspective of an injured worker, and from his perspective I can see problems in the system.

Mr. Van Clieaf: Usually what will happen in that instance is that, at the time of the initial call, if the worker has to go out or is on a treatment program, as you suggest, they will make arrangements to call back at a specific time or hour, or arrange to have the worker call them back at a specific time or hour, when they will make themselves available and, it is to be hoped, have the answer the worker is looking for.

Mr. Lupusella: I was trying to give their perspective to you, because you will be dealing with the injured workers. You will not be dealing with MPPs in returning phone calls.

The other question is in relation to delays on correspondence. It is a serious problem. It involves a delay in the decision-making process for the file and even on the adjudicator's decision or the appeal board's decision. I am experienced in that. To finalize a case and bring it to an appeal board here and now it takes seven months, and even more.

Why are there these problems? Are you trying to implement a new system which is not working? It is the first time I have encountered

this problem. There is no justification whatsoever for an injured worker, trying to get benefits from the board, having to wait seven months or even more than that for a decision as to whether or not he or she is to be paid.

Why is there this kind of problem in relation to delays in correspondence or reaching a decision on a particular issue?

Hon. Mr. Alexander: I think you are touching on appeals.

Mr. Lupusella: Appeals, and also when the representative of an injured worker is trying to send further information to the claims department for a ruling the reply is extremely late.

Hon. Mr. Alexander: Mr. Van Clieaf, perhaps you could answer that first question with respect to your own division, then we will have Mr. Warrington sort of tidy it up with respect to appeals.

Let me put it to you this way—I think you should know this, if you do not already know it. Ever since I came to the board it has been my intention to try my best to make the board more humanized, if you will. I have no patience with sloppy work. I have no patience with insensitive attitudes and I have no patience with procrastination.

I have set standards for my own personal handling of mail, so that when I receive your letter—depending on the complexity of the issue—I want a reply on my desk within no more than 10 days. I think there has been an attitude, if you will, that has permeated the board, in terms of the excellence I seek.

I do not have any hesitation in continually reminding people that this is the sort of thing that exasperates not only the MPPs but the injured worker as well. I want telephone calls replied to as soon as possible; and when they say, "Hold," I expect them not to let the caller sit there holding on but rather to get back to him.

I am sure you have a similar set of circumstances at the lower level, if you will allow me to say that, Mr. Van Clieaf.

Let us direct our attention now to the question Mr. Lupusella has that the replies are not coming back as quickly as he would want.

2:40 p.m.

Mr. Lupusella: You were notified of just one instance about the delay of a letter. It was a very simple issue. The issue did not even go up before the claims review branch. It was supposed to be a simple decision taken by the adjudicator and nothing else. It was just one instance that was a reflection of several cases in my office.

I did not want to bring it back to your attention. It is not my style to use political influence and to use the chairman of the board to get fast results. I am trying to interpret the situation of an injured worker, without political influence, trying to get the best service from the Workers' Compensation Board.

Maybe I might discredit the country, Italy, where I was born but there to process an application for a pension it takes political influence and three years. Maybe that is what we might be leading to; I really hate that system.

Hon. Mr. Alexander: I think when we are involved with the democratic process a lot of people believe that when they write to me I can move mountains. All I do when I receive your letters is try to see that—

Mr. Laughren: I believe that.

Hon. Mr. Alexander: That I try to move mountains? At times I try and at times I do. What I want to tell you is it is unfortunate you have to write to me.

On the other hand, I know a lot of people do not want to go to the lower levels. Of necessity, and because of their own method of operation, they would rather come to me first. I would like to discourage that, but I am the last one to tell an MPP: "Do not write to me. Write to Mr. Van Clieaf." I know what kind of trouble I would be in.

Mr. Laughren: You do not need to tell us to get out of the kitchen if we cannot stand the heat, though.

Hon. Mr. Alexander: You will never forget that, will you?

Mr. Laughren: I will remember it.

Hon. Mr. Alexander: You will just keep it in mind.

However, that is part of the process. Obviously, a lot of people think all one has to do is write the chairman and he will upset a decision. I will not get involved with the adjudication process because you can understand that is wrong.

Mr. Mancini: That is exactly why I do not write to you.

Hon. Mr. Alexander: I do not get involved with the adjudication process and my letter in reply will tell you I cannot do it. If it is a question of, "Why is the decision not out; why have my letters not been answered, and what seems to be the problem with respect to delays?" I will get involved in that sort of thing to speed up the process.

That is another thing I have told my colleagues, to speed up the whole adjudication process.

It is those basic, simple things that excite not only the injured worker but MPPs when they believe we are not giving the type of service we are capable of delivering. Therefore, it is a question of staying on top of everyone, and everyone knows that. They know the standard of excellence I set for myself, if I may be personal, and I expect the same thing from them.

This can be a hot seat. What I am trying to do is defuse your anxieties and defuse the anxieties of the injured workers by at least letting them know we are sensitive to their concerns, that I do understand, that I am not sitting in isolation and that I am not just sitting there waiting for the monthly pay cheque or weekly pay cheque as the case may be, like some MPPs I know, looking at you.

Notice I did not mention anyone's name. I just said "looking at you." Interjections.

Hon. Mr. Alexander: Let us get on with Mr. Van Clieaf, sir, because I think that is what you are really interested in. I was giving you my own personal approach to my job, which I hope has been helpful with the overall image.

Mr. Lupusella: You are faced with competition. Do not forget the comment made by Mr. Mancini, that he is looking after your chair.

Hon. Mr. Alexander: Mr. Van Clieaf worries we are getting off track. He has a response to the question with respect to the service expected of your division vis-a-vis claims?

Mr. Van Clieaf: Like the chairman, we have standards for replying to correspondence where an answer is necessary.

The operating practices are that the inquiry will be acknowledged to let the writer at least know we have received the letter. That should be done very shortly after the letter is received by the adjudicator. The adjudicator then has up to 10 days to send a full reply in answer to that inquiry.

I say "up to;" that is the maximum. If they cannot send a full reply within that time, they are to let the inquirer know that we are still dealing with it and we will get back to them as soon as we can.

There has been a change in our processing in that the letters now go to the claims adjudicators. The letters do not chase the files around the building. The letters go to the adjudicators and the adjudicators can identify that action is necessary, a reply is necessary.

They can grade, to a degree, the urgency of replying to that correspondence. If necessary, they can instruct our records control people to please go and get this file. If, for instance, it is in the hands of the medical branch or whomever

might have need for the file at that point, the filing people will literally go and pick up the file and bring it back to the adjudicator so he can reply to that priority correspondence.

Our activities are monitored on a regular basis. Three times a year we will do a survey on how we are responding to priority correspondence, and I am not here to tell you we are meeting our goals in all cases. We are improving and, through our monitoring, if we start to slip or get into dangerous levels we reinforce our routines and procedures to try and meet the expected standards.

Mr. Lupusella: I guess my name is not appearing on that priority correspondence for faster reply. I do not know why.

The other question is on full disclosure of the file. In my opinion this is one of the causes which delays the whole proceeding before launching an appeal. Is it the board's policy to give full disclosure of the file if there is an issue which is before the appeal system which is causing delay? If it is not the policy, why do you not implement the policy of disclosing the file at the request of the injured worker, whether or not there is an issue before the appeal system?

Hon. Mr. Alexander: I would like to direct my attention to that and I want Mr. Tom Warrington to become involved as well. As you know, the policy has now been in effect since December 1980, so we have had the first two years up until 1982. At every instance, we have indicated that this policy is not engraved in stone.

I feel quite proud about the policy because we are one of a few boards that has a policy of access. There have been rough points over the past two years. We have tried to address ourselves to them, but in terms of when the file is available, there must be a disputable issue by one of the decision-making divisions within the board after which you can request access to that file.

Mr. Tom Warrington is involved with that and will be able to elaborate on what is happening with access to files, the numbers we have had and what they have done in order to update; he could direct his attention to your question as well, sir.

Mr. Warrington: One of the problems, Mr. Lupusella, in allowing access to a file before there is a disputable issue would be the disruption of the mode of treatment for the injured worker. That is a very serious concern.

Where we get into a disputable issue—it has been ruled on by the claims review branch or whatever—then, as you know, we allow it on proper authorization. Last year we had over 8,000 cases where we photocopied files; a

tremendous increase over the year before. In January and February of this year we were running 35.5 per cent ahead of last January and February. So there is a great interest.

It might also be of interest for you to know that only about 40 per cent of the people who have access to a file and get a photocopy actually end up in the appeal system. So we think that is helping to control the appeals.

I am not sure I have answered all of your questions.

2:50 p.m.

Mr. Lupusella: You explained your position, but it does not answer my concern about delaying the process. Until we reach the conclusion there is a dispute, you have to wait until you get authorization from the injured worker to get full disclosure of the file, review the file, then try to evaluate its pros and cons and then launch the appeal. A terrible delay takes place in due process.

I am trying to counteract the delay by proposing positive steps to reduce the delay that is already in place.

Mr. Warrington: As I indicated the other day, we have now hired two extra appeals B people to assist us in the problem of the tremendous increase we have had in photocopying, vetting files and so on. By April 1 we will be down to four weeks, which I think is good. That would be the period for a request to come in for a file, have it vetted to make sure there is a disputable issue, study the file to make sure there is no harmful medical information in it and have it photocopied.

A few minutes ago you talked about it taking seven months to hear an appeal and I did not get a chance to respond. I was just looking over my latest statistics, which are up to March 2, last Friday. At the present time, at the appeal board levels you can have a booking during the week of March 26, which is three weeks away. At the appeals adjudicator level, it is very high. It is the highest I have seen it in the last year—11 weeks, one day. That is higher than I would like.

Again as I indicated the other day, we are now training two new appeals adjudicators to alleviate that situation. They broke all records last year, as they did in 1982. Right now they are showing another 4.5 per cent increase, so we have a concern there.

Mr. Lupusella: Are you aware there is a problem of delays in the appeal system?

Mr. Warrington: Yes, I am; but I do not accept the seven-month figure you use.

Mr. Lupusella: I am part of the exception again. I do not know why I am treated so badly by the board.

Mr. Warrington: You are not being treated badly by the board. If there is any indication of that, my office is open and I would like to talk to you about it further.

Mr. Lupusella: I do not like this kind of influence. I left my country because of that. I am trying to improve this system for the benefit of injured workers.

Mr. Chairman: On this same point, Mr. Sweeney had a question.

Mr. Sweeney: With respect to access to files, I notice on page 11 of the report there is a reference to the employer's right to access. It indicates the principle that they only have the right to the relevant material.

Mr. Warrington: That is correct, sir.

Mr. Sweeney: It also points out that in 87 per cent of the requests, the entire file was given to the employer.

Mr. Warrington: That is correct. In fact, just to update you, in 1983 that figure went up to 90 per cent. In 90 per cent of the cases where employers request files—and of course, each file is vetted—they are getting the full file. Everything in that file is relevant to the issue at hand.

Mr. Sweeney: In a question of psychological entitlement, how do you make a decision about how much of that kind of information is made available to an employer, given the very private nature of the information?

Mr. Warrington: We are very concerned about that aspect. As a result, when that kind of situation arises we have a committee, including a medical practitioner from Dr. Mitchell's group who sits with Mr. Farquharson, the registrar of appeals, and Mr. Walker, our manager of the appeal adjudicator level.

They sit weekly and go over problems like that and decide whether or not things are relevant and should be put in the file. If there is any doubt, particularly in psychological matters, then I suggest it would be taken out of the file, although we have not removed that much on this kind of thing you were talking about. I can give you figures if you are interested.

Mr. Sweeney: If you are up close to 90 per cent, obviously very little is being removed. Can you tell me why it is that in some circumstances and maybe more than even I am aware of, the review branch will send unsolicited file material to an employer?

Mr. Warrington: No.

Mr. Sweeney: Does that happen very often? Does it happen at all?

Mr. Warrington: No; to my knowledge it should not happen. When an employee, an injured worker, sends in a request for a photocopy of the file, as far as we are concerned he is intending to appeal. We notify the employer and vice versa. When an employer requests a file because he is going to appeal an issue, we notify the injured worker and in that letter we offer him a chance for a photocopy of the file.

Mr. Sweeney: Is the letter going to the employer simply an offer of material, not the material itself?

Mr. Warrington: That is correct.

Mr. Sweeney: In that particular case, is any indication given to the employer as to the nature of the file, its contents or anything of that nature?

Mr. Warrington: No, nothing.

Mr. Sweeney: You indicated a few minutes ago you have had a fairly significant upsurge of requests for files. In all of these cases, and in particular where an employer requests it, is it really essential or is it just, "Let us see what is there"? I guess what I am searching for is, how much of it is a fishing operation? Do you have any way of knowing that?

Mr. Warrington: No, we do not. As I said, Mr. Sweeney, our only qualification is that we have a disputable issue, that is the key. If there is no disputable issue, then fine.

Our concern with the figure I mentioned a moment ago which may, and I do not know the answer, which may back up your contention, is that only 40 per cent of the files we photocopy and send out end up in the appeals system. That might be interpreted as a fishing expedition. We have no way of knowing that, no way of cutting it off from going out, if there is a disputable issue.

Mr. Chairman: I thought the claim had to be in the appeals system prior to getting the file back.

Mr. Warrington: There has to be a written decision from the claims review branch or one of the review branches, vocational rehabilitation or whatever. Once that written decision has gone out to the injured worker denying his claim or whatever, then that is a disputable issue. At that time he is also notified in that letter that he has the right of appeal to the appeals adjudicator and/or the appeal board. He is also told that if he wishes a full copy of his file it will be made available.

Mr. Sweeney: Could I come back to just one last question on psychological or even psychiatric material in the file? Does an injured worker have any right to be consulted as to what material in that file is going to go to his employer?

Mr. Warrington: No. I must again reiterate that—

Mr. Sweeney: It bothers me a bit.

Mr. Warrington: I appreciate what you are saying and it is a concern of ours, but where we see psychiatric letters saying a man is a manic depressive or he is schizophrenic and so on, those letters do not go to the injured worker. They are sent to the person who originated the letter, his family physician or the psychiatrist in the kinds of cases we are talking about. We would suggest to him that he should talk to his patient, but we would not send that letter out.

Mr. Sweeney: I assume you are telling me also that this kind of letter would not go to an employer either?

Mr. Warrington: That is correct. We put a special stamp on it. It would not be released to the employer.

Mr. Lupusella: Mr. Chairman, I hope the chairman of the board is taking note that the problems are there and they are recognized by the board. The criticisms which we are raising today have been raised for so many years about delays on the decision-making process of a particular file. It is not something which is new; the board has been aware of this problem with past chairmen of the board. Again, I want to pinpoint my frustration in that every year we have to raise the same problem, which is really pitiful.

Hon. Mr. Alexander: Knowing your concerns, I can only say I would like to think there is improvement, but I do not expect you to agree with me. I know as a fact there has been improvement with respect to the communications concern which you have brought to our attention. There can be no doubt about it. We just do not come to these meetings and say, when we are going home, "Thank God that is over."

You always seem to be in a position where you can pick up an isolated file and say, "Yes, Mr. Chairman, that is fine, but I have a file here that certainly contradicts what you are saying." I expect that. As I said before, we are not perfect, but as long as we have the perception out there somewhere that we are trying our best to reach that state of perfection, I think that is a credible show. There are always going to be problems, but as long as we know what the problems are, and you tell us what the problems are, it is

incumbent upon us to go back, regroup and see to it your concerns are answered regardless of what they may be. I still say there have been significant improvements with respect to the communications angle vis-a-vis the concerns which you just raised.

3 p.m.

Another point which I think is very important to you, because you dwelt on it for some length of time, is the question of the 10 per cent disability. You had certain concerns registered there that we did not seem to care what happened to a person if he or she did not have a 10 per cent disability with respect to rehabilitation, for one thing. I think Mr. Van Clieaf will now be able to give us some statistics with respect to what is happening in that area.

Mr. Van Clieaf: I would like to deal with the 1983 figures, primarily because the 1982 figures are not available to me at this moment. Last year we issued approximately 7,000 temporary supplements of one type or another—and I will explain those types—at a cost in benefits of about \$20 million. Initial full supplements were approximately 3,725, extended supplements 2,461; initial wage loss supplements 714 and extended wage loss supplements 371.

You should appreciate that those are supplements relating to all types of claims that came before the pension section. I cannot give you a specific breakdown by disability percentage level, the clinical rating for the total. What I can give you, and I think it illustrates the point, is what happened with brand new life pensions that were initially done by the pension section in 1983.

First of all, for a clinical percentage disability between 0.1 per cent and 9.9 per cent, we awarded 326 supplements; for 10 per cent alone, we awarded 773 supplements; for the clinical range from 10.1 per cent to 19.9 per cent, 634 supplements; for 20 per cent as an entity, 317 supplements; from 20.1 per cent to 29.9 per cent, 89 supplements; for 30 per cent, 67 supplements; for 30.1 per cent to 39.9 per cent, 42 supplements; from 50 per cent to 74.9, 37 supplements; and from 75 per cent to 99.9 per cent, one supplement. I believe that clearly illustrates that at 10 per cent or less we issued almost 1,100 supplements.

Mr. Lupusella: That is out of 7,000 supplement pensions. Are these contained within the figures given to me or are they in something else?

Mr. Van Clieaf: No. These percentages I am giving you are isolated to claims coming before

us in 1983 for the first time. The 7,000 could be claims where we are reviewing the clinical degree and you might have had supplements in there or you could be extending ones that had been paid in prior years. You have to look at them in isolation.

Mr. Lupusella: That is why I raised my concern. You are not answering the problem I have, based on the statistical data given to me, in particular the number of supplement pensions in the range of 10.1 per cent to 19.5 per cent. Actually, we do not have a clear indication how many supplement pensions have been given to people at the rate of 10 per cent. Your statistical data do not satisfy my concern. At the rate of 10 per cent, how many supplement pensions were granted to injured workers? You are just giving me the range between 10.1 per cent and 19.5 per cent.

Mr. Van Clieaf: I am sorry. Perhaps I did not state it very clearly. I will try again. Just for 10 per cent, nothing else—nothing lower than that and nothing above that, just 10 per cent—773 workers received supplements when they came before the board for permanent disability assessment for the first time.

Mr. Lupusella: What happened to the rest? Were they denied or rejected or what?

Mr. Van Clieaf: Maybe I could put it to you in another way. In 1983, there were 9,984 cases granted an initial lifetime pension. Of that total, 2,287 or 22.91 per cent received a temporary supplement.

Mr. Lupusella: I think it is fair to say my concern is still valid, even though you are justifying the position of the board that you are not completely rejecting the principle that a supplementary pension is not given to injured workers based on the 10 per cent disability pension.

Mr. Van Clieaf: There are more supplements given for the 10 per cent permanent disability clinical rating than for any other individual rating.

Mr. Lupusella: Again I am on the side of the minority. The cases I have been dealing with have been rejected. I did not say you are using this discriminatory practice in a general way with all injured workers, but you also have to pinpoint my particular concern, which is part of the problem. You are not excluding my concern; actually, you are reinforcing it. You have 20.2 per cent of people receiving supplementary pension on a percentage basis of 10 per cent. What about the other 80 per cent?

Mr. Van Clieaf: First of all, out of the 9,984 that came in, many had returned to their pre-accident job. There was no need for a supplement. Many of them might have been over the age of 65, in which case you would not normally pay a supplement.

All I am saying is that between one in four and one in five of all those who came before us last year for the first time did receive a supplement. I do not think you can say that is disregarding the other 74 or 76 per cent, because in many of those cases there was no need for a supplement or they did not meet the threshold question on which you would grant a supplement.

Mr. Lupusella: Let me talk then on behalf of the 30 per cent who were not treated properly by the board in relation to the supplementary pension. I give you the benefit of the doubt that you grant the supplementary pension to injured workers with a 10 per cent disability award by meeting the criteria set up by the board. But 30 per cent of the remaining injured workers were not satisfied. Can you give me the same benefit of the doubt that we are dealing at least with 30 per cent of people who did not get a supplementary pension on a 10 per cent disability award?

Mr. Van Clieaf: Unfortunately, I cannot tell you in exact terms what percentage of the people who came before us had actually returned to work or did not have a loss of earnings. But considering that almost 23 per cent of them did get a supplement, I do not think there were 30 per cent left who were asking for a supplement and were denied, although I do not have that specific number for you.

Mr. Lupusella: Maybe it is time that from now on we get this statistical data so at least we have a clear idea of what is going on.

Hon. Mr. Alexander: We still have some questions and I would like to deal with them because I think they are very important. You raised them, Mr. Lupusella.

I think one of the first things you wanted—and I am not taking them in order—was further information or an analysis of our transcutaneous electrical nerve stimulator, which you feel is very important. Dr. Mitchell, could you give Mr. Lupusella some more information with respect to this unit?

3:10 p.m.

Dr. Mitchell: Yes. A scientific study was undertaken by Clarkson, a physiotherapist, and other people—Dr. Fried was in charge—and its results are being reproduced in one of the medical journals. The significant feature was that the

transcutaneous electrical nerve stimulator did two beneficial things. First, it reduced the amount of pain medication required by the individual, indicating his pain had been reduced. That was the one way we could assess pain because, as you know, assessing how much pain an individual has is a very difficult question. The second feature was that the patient slept better with the nerve stimulator.

These two positive features were identified. The results were statistically significant, and they are being reported in one of the medical journals.

Mr. Lupusella: The other question which will arise is on back injuries. When we are dealing with an individual who has a problem with discs being out either on the right side or on the left side causing a nerve root problem to the right leg or the left leg, is this new method helping injured workers who are refusing back operations? Is this a substitute for surgery, or is it just relief of pain on a temporary basis only?

Dr. Mitchell: It is mainly relief for pain where there is no identifiable nerve root pressure; so we are not trying to substitute this for surgery or other methods. As you know, there has been a challenge lately to surgical treatment with the injection of chemopapain, but the transcutaneous electrical nerve stimulator is not there to replace surgery.

Mr. Lupusella: When injured workers receive this type of treatment, can they still continue to get conservative treatment by the attending physician as well?

Dr. Mitchell: Yes. This is just part of the conservative management. The decision as to whether they get it is based on the trial, and that is what some of them fail to understand. They do not understand that unless they meet the rigid criteria, they are not offered the machine. Some of them get a little disappointed. They say: "Why can't I get a machine? My friend in the next bed got one." It is a trial to see what response it had.

Mr. Lupusella: What else is the rehabilitation hospital being told by this kind of method when people are undertaking this kind of medical relief?

Dr. Mitchell: Excuse me?

Mr. Lupusella: Do you get any other message from that treatment in relation to the adjudication process for a pension, for example, when an injured worker is undertaking this kind of treatment at the rehabilitation hospital?

Dr. Mitchell: If I understand correctly, what you are asking is whether the response to TENS treatment influences the adjudication.

Mr. Lupusella: Right.

Dr. Mitchell: No, sir.

Mr. Lupusella: So actually it is given to injured workers just to ease their pain.

Dr. Mitchell: That is right. It is a form that we think is beneficial. It reduces intake of pain medication which, as you know, has serious harmful side effects. Where it is effective, we think it is a very reliable and valuable form of treatment.

Mr. Lupusella: I think Dr. Mitchell answered my question. I would like to move on to the issue of the psychological-social evaluation model.

Hon. Mr. Alexander: That is the next one I have on the list.

Mr. Lupusella: My particular concern is how many psychiatrists are involved in this evaluation model. Who else is involved in this program? There are psychiatrists, social workers and who else?

Dr. Mitchell: There are rehabilitation counsellors, occupational therapists and physiotherapists. There is a whole team assembled to try to evaluate the patient's physical condition as well as the psychological situation. If you saw this functioning you would know it is a very good team.

Mr. Lupusella: I saw it; that is why I am asking this question. When the psychological-social evaluation model, as it has been set up, comes out with the decision that an individual is affected by a psychological problem related to an accident, I think this evaluation model is more credible than an independent psychiatric report sent to the board which states the person is affected by a psychological problem related to the accident. Am I correct?

Dr. Mitchell: We would like to say we think we do a very good job. I do not think the psychiatrists who are my colleagues would care for me to say we do a better job than some of them. That obviously depends on the individual. We approach it with

Dr. Mitchell: We would like to say we think we do a very good job. I do not think the psychiatrists who are my colleagues would care for me to say we do a better job than some of them. That obviously depends on the individual. We approach it with great care, and I think our opinion is valuable because of the involvement of other team members.

Mr. Lupusella: Actually, I was not trying to discredit the psychological-social evaluation model. However, when this model concludes

there is a psychological disability involved related to the accident, why is 2 Bloor Street East not following suit? After the results of the psychological-social evaluation model, the decision is taken to refer the injured worker to a psychiatrist who might be pro or against the injured worker, and the pension is denied to injured workers. Why is that?

Dr. Mitchell: I think it is because the psychiatrist who reviews that chart disagrees with the finding of the PSEM module for a fact or two and decides to arbitrate it. I was asked earlier by the member for Kitchener-Wilmot (Mr. Sweeney), "What happens if two doctors on your board disagree?"

Mr. Laughren: But he was overruling a team.

Mr. Lupusella: He never saw the injured worker. The psychiatrist employed at 2 Bloor Street East is just reviewing reports that have been submitted by the psychological-social evaluation model. On top of that, maybe there are other psychiatrists' reports sent to the board.

I think the decision taken by 2 Bloor Street East to deny a permanent disability award based on psychological problems is really arbitrary without even seeing the injured worker when there is concrete evidence provided by the psychological-social evaluation model, which had an opportunity to see the injured worker for so many weeks at the rehabilitation hospital. The results should be credible. Why do you deny that?

Dr. Mitchell: Let me give you an example. Sometimes when the patient has been through the hospital and rehabilitation centre and a decision has been reached, he goes home to his family physician, who decides he will tell the compensation board that his opinion is better than that of the hospital and rehabilitation centre and overrules it. That has been done. We have no control over that. People have opinions. We get it from both sides.

Often an injured worker will go through our centre, a decision will be reached after all that careful study and evaluation and the individual will go home to his family physician, who writes on a prescription pad, "I consider this patient unfit for work." I think that is a challenge we have to meet.

Mr. Lupusella: We are talking about two different things.

Mr. Mancini: In my experience, I cannot see where you have ever—

Mr. Chairman: You will have a supplementary in a moment.

Mr. Lupusella: We are talking about two different situations. I am talking about a permanent disability award, which the injured worker is entitled to as a result of a decision taken by the psychological-social evaluation model. You are talking about another scenario, where the injured worker who needs more treatment goes to the family doctor and says: "What should I do? My symptoms still persist. I have a lot of problems. You have to help me." We are talking about two different things.

When the board calls an injured worker for a permanent disability award, it is reviewing all medical reports on file because the physical or mental condition of the injured worker is quite stable. That is when the injured worker gets a permanent disability award from the board.

Dr. Mitchell: Are you suggesting that you would like to see a ruling made that no decision of our PSEM module can be overturned?

3:20 p.m.

Mr. Lupusella: No, I am not saying that. What I am saying is that in the specific case I have brought to your attention, the psychiatrist employed at 2 Bloor Street East, who never saw the injured worker, who never had an opportunity to spend 15 minutes with him to find out his psychological wellbeing and so on, rejected an opinion rendered by the psychological-social evaluation model which stated, "You have to call this man for a permanent disability award." I think it is not ethical for a psychiatrist to follow this practice.

Dr. Mitchell: He has all the information that has been elicited by the PSEM module. He must have fairly strong reasons to suggest this is not appropriate. To suggest that just because he is a psychiatrist working with the board he should not have that ability, but someone else should have that ability, is unfair. Equally, we feel the patient's own psychiatrist could challenge that. We like to think the PSEM module does a superb job, and I thank you for reinforcing that, but the fact remains that there should be a challenge if there is an oversight. As the chairman has said, we are not perfect. We try to be, but we are not. That applies equally to the physician representing the worker and the board's physician.

Mr. Lupusella: You cannot have it both ways. I saw cases that were the opposite. The independent psychiatrist says, "This man is definitely affected by a psychological problem that must be compensated, and my recommendation to the board is to grant him a pension." Then the board takes the position, based on the

psychological-social evaluation model, that it is of the opinion the man is not entitled to a psychological award. Why do you use the system both ways? It is just to satisfy your own positions.

Mr. Laughren: We are worried that if the team recommends that the benefits not be awarded, it will not be referred to a psychiatrist. If it recommends that the benefits be awarded, it will be referred out. That is what has us worried.

Dr. Mitchell: I will gladly look at those figures to see whether that is happening, but I do not think it is.

Mr. Lupusella: You told me not to take case work to this committee, Mr. Chairman. Are we going to sit next week again?

Mr. Chairman: Yes, if you want to.

Mr. Lupusella: We can review all these cases and try to detect the inconsistency of the board in defeating injured workers claiming their benefits.

Mr. Laughren: The clerk will not be here next week.

Hon. Mr. Alexander: Mr. Lupusella, I am not cutting you off, but I want to get your questions answered. There was another one you had. You wanted some further information with respect to amputations as a result of burns and blood supply in cases of limb reimplantation. Doctor, can you help us with that?

Dr. Mitchell: Those two things ran together; it is not all one subject or two subjects. The review of amputations resulting from electrical burns is under way, and we have no figures yet. We have results and figures from the review on reimplantation and blood supply.

As a matter of fact, there is a meeting in Ontario—the association's name escapes me—of the American people interested in rehabilitation and compensation at which one of our consultants, a plastic surgeon, will be presenting the good and bad results of reimplantation. That material is available and we are looking at it critically.

For those interested in it, it is important to recognize that if a reimplantation fails it often leads to more problems than you might expect.

Mr. Lupusella: Like the case I brought to your attention before.

Dr. Mitchell: Absolutely.

Hon. Mr. Alexander: I want to run down my list here. I do not want Mr. Lupusella to be left without answers to questions. I will go through it

and see if there is anything I have left out. I think we have touched on most points.

In the initial stage you talked about there being some 65,000 fewer claims and you wanted to know why. The answer given is certainly one of the better answers; that is, because of the economy. There is some effect in this regard on the role of the safety associations.

You touched on the safety and health bill. You did not mention the number, but I guess you were talking about Bill 70, on the enforcement aspect. I share the view you put before the committee, to take you out of context somewhat. As I have often said, it is everybody's business to put the Workers' Compensation Board out of business by creating a more safety-conscious society.

Mr. Lupusella: The Innovation Development for Employment Advancement Corp. is helping me.

Hon. Mr. Alexander: I say that every time I go out on the street.

You wanted some indication with respect to claims. We have dealt with that. You mentioned Sudbury, and my notes do not indicate what you had to say about Sudbury. Did you have something to say about psychiatrists there?

Mr. Lupusella: No. I gave a lot of credit to improvements that are taking place in northern Ontario.

Hon. Mr. Alexander: We went into some detail regarding the appeal system. We talked about full disclosure. You mentioned a point which I think should be cleared up in this regard as well.

I believe you were indicating to us that, in terms of full disclosure, you were not getting the internal memos. I had better leave this with Mr. Warrington, because I do not think you are right in this respect.

Mr. Lupusella: I am perhaps in a minority anyway.

Mr. Warrington: My concern in that point, Mr. Lupusella, was, as you are well aware, that all our memos are numbered. It would be very simple to spot a missing number, which would indicate a missing memo. I wish you would bring that to my attention, because that just should not be happening. We have had literally no complaints.

Mr. Lupusella: In one appeal, the accident report from the injured worker was missing. We appeared before the appeal system and the injured worker was claiming that he was lifting, along with the other three or four co-workers, a big electrical switchboard weighing 1,200

pounds, and he injured his back. The board was even contesting the validity of whether the 1,200 pounds could have been lifted by four people, which was part of the issue, but I did not see the accident report of the injured worker in the file I received.

Mr. Warrington: Did you bring this up at the appeal board hearing? Did you mention it?

Mr. Lupusella: Yes.

Mr. Warrington: May I ask what happened?

Mr. Lupusella: There has been no appeal yet. We have this appeal tomorrow, at around two o'clock.

Mr. Warrington: Has a phone call been made?

Mr. Lupusella: I am going to ask during the appeal for a copy of this accident report which was sent to the board by the injured worker.

Mr. Warrington: It sounds to me as though it was an oversight, but those files are double-checked each time. I am surprised to hear you say that. I think your general comment the other day was that there are often missing memos. I would really appreciate it if you would bring to my attention any examples of that.

Hon. Mr. Alexander: Moving along, but not in any great hurry, I want to see that these questions have been answered. We touched on employers getting the files. We had information regarding amputations as a result of burns and cases of limb reimplantation. We have had information on the industrial back education program. You have just talked about the psychological social evaluation module. We discussed the problem and the concern you had regarding the 10 per cent disability. We had a very informative discussion, I would suggest, with respect to rehab counsellors and the rehabilitation division.

I see another matter we brought to your attention. That was the pilot project regarding the handling of orthotic and prosthetic devices. Also, there is the matter of clothing allowances; I mentioned that in my speech and you wanted that highlighted further.

Doctor, is there anything you can give us with respect to that?

Dr. Mitchell: I do not believe I can add anything, unless there is a specific question.

Mr. Lupusella: Yes, I do have a specific question. It is also part of the delay system which is implemented by the board, even though you do not want to recognize that. It is nothing to laugh about; I think it is a serious problem. On clothing

allowances, why has the board established a policy that the injured worker has to reapply on a yearly basis for a clothing allowance rather than the board having a special form to be filled out by the injured worker so he would not have to go around and state he is still wearing a back brace and so on?

I am talking about renewal of a clothing allowance. I am not talking about the initial application for a clothing allowance in which sometimes the family doctor has to be involved to demonstrate that the injured worker really wears the back brace which causes problems to his clothing.

Can you implement a better policy so that the injured worker will receive the form automatically at his home every year, to be filled out and returned to the board, instead of sending these people from one agency to another?

3:30 p.m.

Dr. Mitchell: The basis of the annual review is that conditions change and the brace is not forever. I think it is a reasonable time interval.

Many of the follow-up reports are a pain, both to the physician who has to fill them in and to the injured worker. I would hope it is viewed with concern that we are not harassing him, but conditions do change, patients do get rid of braces, patients get better, patients get worse, and the time interval is not unreasonable, sir.

Mr. Lupusella: If I may reply to your statement, when a person has been granted a permanent disability award for life by the board, are you telling me his back disability will improve in 20 years and he will not need the back brace?

Dr. Mitchell: We have certainly experienced that, sir. The people on permanent disabilities do improve sufficiently, not that they get better, but to the point that they do not need the brace any more. Yes, sir, that is what I am telling you.

Mr. Lupusella: Okay. So, you disagree with me that if a special form is drafted which records any change in the injured worker's circumstances and he is not wearing the back brace any more, or any other device, then he can express this opinion on this general form? But it is the duty of the board to make sure this form will be sent to the injured worker.

Dr. Mitchell: Yes. It has just been pointed out to me they can apply for assistance at an earlier stage. I think we should look at the form to see if we can make it more easily handled by the injured worker.

Mr. Lupusella: Can you also make sure, when the injured worker is called for a pension assessment and a pension disability award is granted by the board, that he will receive this form as well?

Dr. Mitchell: We could certainly look at this for you, yes.

Mr. Lupusella: It will be the injured worker's duty to reply to the questions and, based on his answers, the board will decide whether he is entitled to a clothing allowance. A lot of people do not even know there is such an entitlement.

Dr. Mitchell: We would certainly like to review the whole system again, with special reference to this point.

Mr. Lupusella: I am sure you are talking about a new restructuring of the board, as Professor Weiler did it.

Would you also please give us a list of doctors employed by the board and their qualifications?

Hon. Mr. Alexander: I do not think we have that information available, but we certainly would be pleased to get it for you in due course. We will make a note of that, Mr. Lupusella.

I do not want to take you away from your topic, but I want to get on with some of my—

Mr. Lupusella: No. I intend to speak on the processes, because I do not want to cut out my friend.

Hon. Mr. Alexander: I hope he does not mind if I get through with yours.

You commended us for our approach on decentralization. We touched on that. You commended us on long-term investments. Then you got on to your statement, and I do not think I can say much about your statement, sir, because I think it was not really directed to me. It was primarily directed to the ministry with respect to the pending legislation.

There was something you brought up, a matter that I think is important.

Mr. Lupusella: You cannot escape the principle that was exclusively related to the minister. As I heard the standing committee on resources development reviewing Professor Weiler and the government white paper, the board is already preparing itself for future changes, in order that we are not faced with a bureaucratic disaster when the new system is implemented.

Hon. Mr. Alexander: Well, yes. As a matter of fact, I volunteered that information earlier from the moment the first Weiler report was tabled.

I tried to indicate to you that it would be foolhardy on our part if we did not look at what Professor Weiler was recommending, and then get the respective divisions involved to see what type of administrative hangups we would possibly face in the event all 21 recommendations went through. I do not think that has anything to do with what the ultimate end will be vis-a-vis legislation.

Your other question related to that—I think I know what you are getting at and I think you are really talking about pending legislation—is whether we have communication with the Minister of Labour (Mr. Ramsay). Of course we have ongoing communication with the Minister of Labour and with the deputy minister on a number of occasions. We try to see to it that liaison is one of consistency; I believe it is required so the ministry has full knowledge of what the board is doing and, further, to answer any questions the minister might have with respect to any of the board's activities.

This is an ongoing process that would happen between any minister and the head of a crown corporation, that there would be that continuing liaison principle both of us want to adhere to and enhance in future in what we say or discuss.

I do not think I am going to be in a position to tell you that, and I do not expect you to have me tell you that, but I think—I notice you are smiling so you know I am on the right track. Yes, we do have periodic meetings with the ministry on matters of mutual concern, or if the minister has a concern he wants answered. I think it is a good thing the ministry and the board get together to discuss matters of mutual interest.

Mr. Lupusella: Did you have any discussion or conversation in relation to the principle of future increases in the level of benefits for injured workers?

Hon. Mr. Alexander: Let me say we have had a discussion on anything that involved the board in one way or another. Does that answer your question?

Mr. Lupusella: Not really.

Hon. Mr. Alexander: It did, but you do not think—

Mr. Lupusella: You answered that there at least has been a discussion, but can you be specific? Can you tell us the stage of the discussion in relation to the principle of future increases in the level of benefits for injured workers?

Hon. Mr. Alexander: In all fairness, Mr. Lupusella, you know that when it comes to the

policy of amending the act to increase the benefit level it is not my baby. You know that and I know that. I know you will not want me to answer that question, because it is a government policy decision.

I do not deal in policy. My friend Mr. Laughren gets incensed when I say that, but it is a fact. I am only—and I use that expression advisedly—an administrator. I do what you people tell me to do to the best of my ability. Notice how I put that; to the best of my ability.

I am not trying to evade it, but I think you are trying to test me to determine if I know how the system works. Let me tell you, I do know how it works and I will not answer that question. It is not that I want to be offensive to you, but you know—

Mr. Lupusella: No, you do not have to be offensive.

Hon. Mr. Alexander: Then you understand why I will not answer the question.

Mr. Lupusella: I am taking literally what you told us previously, that you are trying to humanize the structure of the Workers' Compensation Board.

Hon. Mr. Alexander: I am trying my best.

Mr. Lupusella: The level of benefits is part of the mandate you have just expressed before this committee.

Hon. Mr. Alexander: But I have no control of that.

Mr. Lupusella: I understand. It is very understandable.

Did you get any sense from the Minister of Labour that the government has in mind to increase the level of benefits in the near future?

Hon. Mr. Alexander: I have no information in that regard.

Mr. Lupusella: Okay; fair enough. You do not have any information, which means—

Hon. Mr. Alexander: Personally, I have no information in that regard.

Mr. Lupusella: —you did not get any feeling from the Minister of Labour that, in the near future, eventually, these increases will be introduced in the Legislature.

Hon. Mr. Alexander: I am treading in very dangerous water here. I would like to see the introduction of a bill in the relatively near future. I am sort of getting out of line here. That is why I dislike answering that kind of question.

I know the Weiler report has been out there for a considerable length of time. We have been discussing this matter for some four years. It is not easy.

3:40 p.m.

My friend Mr. Sweeney said, "Please do not use the excuse of Weiler in order not to make any administrative decisions." Mr. Mancini said, "I am not blaming you because of the position you may find yourself in." He was indirectly and through implication indicating the government should move. Now, I cannot say anything about that because I would be out in left field.

Mr. Mancini: Go ahead, you can say it.

Hon. Mr. Alexander: No. A policy decision is a policy decision. On a number of occasions we have had meetings with the minister and his officials at which we have discussed a number of subjects. Knowing how the system works, I will not tell you what we discuss, other than to tell you we are talking about Workers' Compensation Board business.

Mr. Lupusella: Let us not waste time then. You have shown and expressed your political insight in your statement about a bill.

Hon. Mr. Alexander: No, it is my political experience.

Mr. Lupusella: You would like to see a bill.

Hon. Mr. Alexander: Yes, I would.

Mr. Lupusella: It might even be the 21 recommendations expressed by the government's white paper in the form of a bill, which does not include an increase in the level of benefits for injured workers.

Let me ask Mr. Armstrong—

Hon. Mr. Alexander: Now you are getting closer to home. I did not want to put the deputy in that position.

Mr. Armstrong: Go right ahead and ask. I am not going to say anything. As a matter of fact, if you read last Saturday's *Globe and Mail*, the minister appears to have said he is considering matters. He told Mr. List that.

Mr. Laughren: He said he was feeling the heat too.

Mr. Armstrong: Yes, I read the article.

Mr. Laughren: He should get out of the kitchen.

Mr. Armstrong: That is the most recent pronouncement of the minister on this issue that I am aware of.

Mr. Lupusella: I think we have to wait until the Legislature reconvenes, because this issue is not a funny one.

Interjection: I think you are going to have a long wait.

Mr. Lupusella: It is not a funny one, let me tell you. It is not. There is nothing to laugh at.

Hon. Mr. Alexander: I am not laughing. I am just trying to run through this thing.

There was something else you mentioned, about 25 to 40 per cent of the pensioners not working. I think he has a point there, Mr. MacDonald. I have heard the figure of 40 per cent somewhere. So perhaps you are on target there, but I do not know what leads from that.

Mr. Lupusella: What is the cause of it?

Hon. Mr. Alexander: I guess the state of the economy for one thing. I think that has been discussed on a number of occasions.

Mr. Lupusella: Do you have any figure about the 1981 survey of pensioners, and how many pensioners there were at the end of 1983? If you have these figures, maybe we can talk on more concrete terms about my concern.

Mr. A. G. MacDonald: As I understand your original question, you asked if you could have a copy of the survey that was referred to by the actuaries when they were making representations before this committee on the Weiler report.

The problem with that survey that the board is currently wrestling with is it is a completely unaudited survey. The answers given have in no way been checked and we have some concern that the survey is not completely accurate. Discussions are currently taking place as to how to make a better assessment of the real situation out there.

Simply to have someone say he is not working at this time does not tell you why he is not working. It does not specifically indicate whether he is not working as a result of the accident, etc. So we do not believe it is necessarily a completely accurate guide to the situation. We are reviewing it and we are going to get better information before we make further decisions about that.

Mr. Lupusella: Will you release this survey to the members of this committee?

Mr. A. G. MacDonald: I do not see any reason why you cannot see the survey in that form, as long as you understand that it is not completely significant.

Mr. Lupusella: I am sure a person who knows about the WCB also knows the implications of why people are not working and so on. We are not trying to pinpoint the causes. We are trying to find out the total population of pensioners across Ontario. It might be useful if you have breakdown figures by constituency as well.

Mr. A. G. MacDonald: I think we should make a commitment and give you the report in its current form. Then if you have questions about it, perhaps you would want them directed to us.

Mr. Lupusella: Okay. Mr. Chairman, I think my friend is eager to raise questions.

Hon. Mr. Alexander: You do not want to hear the rest?

Mr. Chairman: Mr. Alexander is still trying to reply to your opening.

Hon. Mr. Alexander: I do not want to miss anything, sir. I think I would be criticized if I did.

After 2 p.m. or shortly thereafter—you may have this list of questions—you asked a lot of questions with respect to the figure of 2,050. How many were rehired at the same rate? Did you get all that information?

Mr. Lupusella: Yes, I raised the question.

Hon. Mr. Alexander: Have you got the answers?

Mr. Lupusella: Yes.

Hon. Mr. Alexander: All right.

Moving along, you wanted to know about the follow-up on rehabilitation. I guess you have had that answer.

You mentioned the select committee on company law. We answered that.

As well, you had my comments with respect to the Canadian Union of Public Employees' analysis of what was happening at the board. My friend Mr. Laughren did not like what I said, but nevertheless I said it.

Mr. Laughren: You contradicted yourself.

Hon. Mr. Alexander: Sir, I am just trying to do the right thing here.

Mr. Laughren: That is contradicting yourself?

Mr. Lupusella: Keep in mind that the company law reform report was printed and released in 1981. It is 1984, and we are still criticizing the rehabilitation department.

Hon. Mr. Alexander: Yes, sir. I think we have given you every indication there have been significant improvements in that regard, but you do not want to accept them. We are not going to debate it.

Mr. Lupusella: You are not even discounting my criticism.

Hon. Mr. Alexander: I do not discount an MPP's criticism. I will never do that in here.

Mr. Lupusella: Your position has been that there was improvement, there is more room for

improvement, but there is a problem. That is the general view about the rehabilitation department.

Hon. Mr. Alexander: Let me say this: I am glad you agree with me that there has been improvement. As far as I am concerned, as long as this board has life there will always be room for improvement in any division.

Mr. Lupusella: I am giving you the benefit of the doubt.

Mr. Wiseman: That is pretty close to a compliment.

Hon. Mr. Alexander: There was something else you said about misleading information and the way we use our statistical information—no, I do not think you said this. I think you were quoting someone who said we use statistical data to mislead.

Mr. Lupusella: That was the CUPE brief.

Hon. Mr. Alexander: I discount that, and I throw that out the window as well. We do not compile any statistics at the board to mislead anyone. Statistics are gathered for information purposes in order that we can develop the necessary programs and policies, if you will, for the benefit of the injured worker. We are not out here to mislead anyone.

I think that was in the CUPE brief. You can tell them I say it is not true. I am being very charitable in my remarks in that regard.

Where do we go from here?

Mr. Laughren: They were, too.

Hon. Mr. Alexander: Sir, I am just trying to do my job here.

You mentioned the 80,000 and you broke it down into statistical groups—30,000 over 65 or something; 20,000 and 10,000 on Canada pension plan. I did not think you wanted anything further in that regard. Have they been answered or did you want further clarification?

Mr. Lupusella: Not about CPP. It appears statistical data not available in relation to that. Am I correct? The number of people applying for CPP.

Mr. Chairman: I think someone committed himself to get back to us on that.

Hon. Mr. Alexander: We were supposed to get that, I believe.

Mr. Lupusella: Yes.

Hon. Mr. Alexander: Will the board publish the survey? I think Mr. MacDonald has answered that question for you.

Appeals: in this instance you said they were five months. I think we have discussed that access policy again.

Experience rating: you touched on that. I do not think we can add anything else to it other than the fact that we are involved now with a program, regardless of whether or not you think it is right or wrong or whether the employees will take advantage of it. Experience rating is being looked at very closely by the board. There are a couple of pilot projects involved in the construction of this.

Perhaps Mr. MacDonald can help us in this respect.

Mr. A. G. MacDonald: In the first instance, I think we should remember that experience rating did not just happen in 1983. Experience rating has been around almost as long as I have been at the board. It has certainly been around since the 1960s. We have always had experience rating of various sorts. The issue today is whether or not experience rating plans should be strengthened, in terms of penalties and refunds, to the point where they will be more effective.

3:50 p.m.

Two experiments are planned to be put into effect for the next two years. One of them is the CAD 7 proposal you referred to, which is to be in the construction industry and involves both accident costs and frequency. A cost-only plan is also likely going to be tried in at least one or two other industries also for that same two-year period. At the end of that time the board will evaluate the results to see whether or not there needs to be a change.

As to your concern about whether or not there is any evidence that employers suppress the reporting of accidents because of experience rating, I have seen no evidence of it to date. That could be because the plans have been relatively mild in terms of their penalty and charges. It may become a problem if you wish to strengthen the plans, but we will be watching that very carefully.

Mr. Lupusella: That problem was based on the fact that it is unfair that a company with a high degree or number of accidents should pay almost the same as any other company with a low incidence of accidents.

Do you not think the most irresponsible industries should pay the cost of these accidents in comparison to the ones that are more conscientious and more responsible about accident prevention in their work places?

Mr. A. G. MacDonald: I certainly do believe that. As a matter of fact I was the author of the original subsection 86(7) of the act which brought in the penalty sections for the worst three

per cent of employers—and the evidence was there—who were riding on the coattails of other employers. That section has been very effective.

Hon. Mr. Alexander: You mentioned subsection 21(1). I think that was touched on and I have touched on it. I think that was answered by Mr. Warrington.

You also mentioned the problem with respect to income tax and I do not know in which context you are bringing it to our attention. You know the benefits are not taxable.

In the event that a person is seeking a guaranteed income supplement and/or spouse's allowance, I think in that context the income from the board is taken into consideration in order to determine what the final figure is vis-a-vis the guaranteed income supplement and whether in fact you are entitled to a spouse's allowance and to what extent you are entitled, but we have no control over that, as you know.

Mr. Lupusella: I raised this issue because I think either the board or the Minister of Labour (Mr. Ramsay) should be concerned about that. As you know, WCB payments were always excluded as income and I think, as a result of the 1983 federal budget, there was an amendment to include WCB payments as part of income.

I am just wondering why the Minister of Labour, in co-operation with the chairman of the board, did not take a strong stand to defend the rights of injured workers, who are already losing 25 per cent when the weekly benefits are assessed.

If we are really concerned about protecting the injured workers of this province, at least I would have expected that the Minister of Labour and the chairman of the board would have made their own presentation before the federal government and said, "What you are doing is completely unfair because you are penalizing injured workers across the province of Ontario twice: first, by the introduction of this particular clause; second, because under the present system, injured workers are already losing 25 per cent of their income when the level of benefits is excessive on a weekly basis."

Why did the Minister of Labour not do that? Why did you, as a great humanitarian like me, not go before the federal government to make a pitch on behalf of injured workers across the province?

Hon. Mr. Alexander: I am glad you think I am so important, but I certainly know my role. I think my role is not to go over the head of the Ministry of Labour to go to the federal government and say so-and-so.

The federal government agencies do have ongoing consultations with their counterparts, whether we are talking about the Ministers of Revenue or the Ministers of Labour as the case may be. This particular matter came to my attention at the same time as it came to your attention—when I read about it in the newspaper. I think as long as they are not touching the initial principle, and the compensation payments and all they stand for are not being affected, then I am out in left field as to what the federal government is doing concerning its several programs. I do not think you expect me to go over the head of the government of Ontario to tell the Minister of Revenue at the federal level what I think about his policies.

Mr. Lupusella: As the chairman of the board, I would—

Hon. Mr. Alexander: There are certain things the chairman of the board can do, but do not ask me to do the impossible or what is not acceptable.

Mr. Lupusella: I am not expecting miracles. I am picking up on the statement you made before that you have serious conversations and meetings with the Minister of Labour. Did you ever raise this issue when it came to your attention either by the federal government or by the newspaper as you stated? Did you have an opportunity to discuss this issue with the Minister of Labour as to taking action, or was this issue completely ignored at the time you met the Minister of Labour?

Hon. Mr. Alexander: You asked me whether I have had an opportunity. This matter just came to my attention in the past few days, and therefore I have not had an opportunity. Whether or not I will discuss it with him, I will take your concerns under serious consideration.

Mr. Lupusella: Fair enough; what about the Minister of Labour?

Mr. Armstrong: What the chairman is saying is he will be discussing it with us. To be frank with you, I cannot tell you whether it has been a matter of discussion between the Minister of Labour and the federal authorities. I have noted your concern and I will discuss it with the minister.

Mr. Lupusella: Can we get a written reply from the minister's office in relation to this issue?

Mr. Armstrong: We will take a look at the precise question. As the chairman has said, you asked it in your opening statement and we will certainly look at it. I see no reason why we cannot reply to you.

Mr. Lupusella: Thank you very much.

Mr. Gillies: You should keep in mind, Mr. Lupusella, that the minister is at a meeting of manpower ministers in the Maritimes right now and this matter could well be under discussion this week.

Mr. Wiseman: As I understand it, they will not have to pay income tax on the pension part unless they are looking for a supplementary income from some other source. Is that right? Then that is considered as part of their allowance.

Hon. Mr. Alexander: I do not want to get into water where I feel I could drown. I am not too sure about it. I gave you an indication that if a dependent—can you help me out on this one, or perhaps Bob Reilly? I do not think we can answer the question in detail.

Mr. Wiseman: As I understand it, it has always been that one did not have to pay income tax on the portion of the question in detail.

Mr. Wiseman: As I understand it, it has always been that one did not have to pay income tax on the portion of the supplement—

Mr. A. G. MacDonald: It is our understanding at the moment that there is no change in the principle of workers' compensation not being taxable. That is not the issue. The issue is whether or not the workers' compensation allowances can be used as an offset and deprive the recipient of some other allowance. I really do not have all the details.

Mr. Wiseman: What I was getting at is, as long as they are not looking for some other supplement, the payment from workers' compensation will be income tax free. Is that right?

Mr. Laughren: Fifty per cent of that income is considered as income and reduces the amount of the supplement they can get.

Hon. Mr. Alexander: It reduces the amount of the government supplement.

Mr. Laughren: Yes.

Mr. A. G. MacDonald: The whole principle of ensuring income tax stays out of workers' compensation as an issue is addressed by having 90 per cent of the net as well, which has regard for the income tax portion of it. I do not think anybody is challenging the principle of workers' compensation per se being taxable.

Mr. Wiseman: It is just if one is looking for the supplement.

Mr. Laughren: It reduces it.

Mr. A. G. MacDonald: I agree. Probably in the total effect on the worker there is a reduction of some sort.

Hon. Mr. Alexander: I think, Mr. Lupusella, I have touched all the issues—

Mr. Lupusella: I guess you did but sometimes we have disagreements on them.

Hon. Mr. Alexander: Yes, but they are all friendly disagreements. In the event I have missed something in your opening remarks and the questions you raised, please feel free to get back to me once you get Hansard. I will see we answer them.

Mr. Lupusella: Thank you very much.

4 p.m.

Mr. Sweeney: I have one question to wrap up my concerns. It has not come to our attention yet. Does the board have any conflict of interest rulings or regulations with respect to people who work for it at the present time or who leave the employ of the board in terms of what they might do for others? Of course, what I am referring to is they would then go and work, either on a full-time or a part-time basis, for someone else who could perhaps in a beneficial way benefit from their experience and their knowledge of the board. Do you have any basic guidelines?

Hon. Mr. Alexander: I think the question was asked. You are asking us whether we have any conflict of interest guidelines that would affect board employees who have left our service and who would be engaged in some activity, and I guess you are implying they would be engaged in some activity that would call for them to come before the board on some subsequent occasion acting for someone else.

Mr. Sweeney: In the broad sense, yes.

Hon. Mr. Alexander: In the broad sense. I cannot answer that question directly. I am not too sure, but I think I know what has prompted the question because I saw it somewhere just of late.

Mr. Sweeney: A couple of incidents have been drawn to my attention.

The question was raised, "Does the board not have some limitations on people leaving its employ and immediately going to work for someone else?"

Mr. A. G. MacDonald: In terms of having written conflict of interest rules, the answer is specifically no. However, it is a matter of common sense, for the record, that there are any number of people who have formerly worked for the board, who have gained knowledge from the board and, in a pre-retirement situation, have gone to work for the Ombudsman, have gone to work for injured workers and have gone to work for employers. You have a situation where I think

it would be a denial of human rights if someone cannot take his experience somewhere else and sell his services.

workers and have gone to work for employers. You have a situation where I think it would be a denial of human rights if someone cannot take his experience somewhere else and sell his services.

Then you get into the issue of someone who is retired. Are you going to say that the receipt of a pension or the receipt of some sort of allowance deprives them of their right to supplement their income based on their experience and knowledge? We do not think that would be fair and equitable under human rights.

There is a middle group where we do have a very specific rule. If someone is on early leaving by virtue of having credits in a situation that entitles him to credits we say, "During that period, you are not entitled to act as an adviser to anyone. We have made those distinctions. As to whether or not those are the correct distinctions and whether they should be modified, you may want to make some comments. But those are our practices.

Mr. Wiseman: I think if we as politicians are in a ministry and we retire, I do not think we can have any dealings with that ministry for at least two years after retirement. This would cover something like that for an employee who, say, went out and started a consulting service, having had the benefit of knowing the inside people, knowing what has happened, and knowing what to look for in processing a claim or whatever. If there were some time frame after—you did not mention that it was in there for politicians. It might be a good thing if Mr. Alexander is bringing in a bill.

Mr. A. G. MacDonald: May I ask a question? Is there any concern in anyone's mind about someone who has not retired?

Mr. Gillies: We just assume that is not going on. Someone who is still an employee of the board does not set up part-time consultancies or anything of this nature.

Mr. A. G. MacDonald: We seem to be talking about a time at which they can do it and another time at which they could not do it.

Mr. Sweeney: What I am digging for is, when a person gets to a certain level in your organization, is there any understanding that he cannot walk out the door, cross the street and "join the opposition," however you want to define that, and come back and take undue advantage of where he just came from. Do you have any kind of understanding such as that? I am

putting it in very broad, general terms, very deliberately. I gather the answer is no.

Hon. Mr. Alexander: I suggest the answer is no, but let us put it—

Interjection: Except for the narrow group.

Hon. Mr. Alexander: Except for the narrow group. In the light of the concern that you have registered and because of the comments made by Mr. Wiseman, I think it is a question we will look at again. I do not want to be placed in the position of hearing or believing someone thinks that somebody who has left the board now is in a favoured position as a result of having been with the board. I guess that is the bottom line.

Interjection: That is the bottom line.

Hon. Mr. Alexander: That is the bottom line. I think Mr. Wiseman had a suggestion there. We are prepared to go back and look at it and determine just how we could move, given the fact Mr. MacDonald has indicated there is a question of whether we are going to deprive someone from making a living. It may depend on who that person is. Are we talking about a clerk or are we talking about a senior official of the board? I think there is a range that also affects ministers, as the case may be.

We will look at it. I do not know what we will come up with, but I am pleased you brought it to our attention.

Mr. Armstrong: Perhaps I can add something. When we are looking at it, just so nobody is misled, I think the board was referred to as a schedule 3 agency under the Manual of Administration. I think what has to be checked—and I cannot give you the answer—is whether the conflict of interest guidelines applicable to employees employed under the Public Service Act are in whole or in part applicable to board employees. When we look at it, we will have to look at that as well and give you the answer.

Hon. Mr. Alexander: That is an important point.

Mr. Mancini: Mr. Alexander, what is your salary?

Hon. Mr. Alexander: I think the general range was given in the Globe and Mail about a month and a half ago.

Mr. Mancini: I do not want the general range. I want the specific salary.

Hon. Mr. Alexander: I really do not know, to tell you the truth. I think it is around \$70,000 plus.

Mr. Mancini: You mean they are paying you less than they are paying the chairman of the

Liquor Control Board of Ontario who has a nothing job?

Hon. Mr. Alexander: If you have any influence with this government, I want you to bring that matter to its immediate attention.

Mr. Sweeney: You have to be a police chief first.

Hon. Mr. Alexander: It is around \$70,000 plus a little. I know there is another \$5,000. It is approximately \$75,000.

Mr. Mancini: Do you get a chauffeured limousine?

Hon. Mr. Alexander: Yes, sir. It is not a chauffeured limousine. I have the use of a car.

Mr. Mancini: Chauffeured?

Hon. Mr. Alexander: Yes.

Mr. Mancini: Are there any other senior officials who get the use of chauffeured limousines at the WCB?

Hon. Mr. Alexander: Not that I know of. It is a question of cars being available for certain officials.

Mr. Mancini: How many cars are available for certain officials?

Hon. Mr. Alexander: I cannot answer that question. I think there are only two.

Mr. Mancini: I think the Liquor Control Board of Ontario has more.

Hon. Mr. Alexander: I still tell you, I do not know what kind of influence you have. You have been here since when, 1974?

Mr. Mancini: Since 1975.

Hon. Mr. Alexander: You have influence. You tell them you are concerned about the perks and the salary that are given to the chairman of the Workers' Compensation Board, who is worth more. That is your statement, not mine.

Mr. Laughren: What is the mandatory retirement age?

Hon. Mr. Alexander: Now you are getting into my personal business which is none of your business.

Mr. Laughren: It is the board's business.

Hon. Mr. Alexander: My order in council term was for five years. It started on January 1, 1980, which means if I am good and if I am worthy of further consideration, I may get another appointment.

Mr. Mancini: If the Tories get re-elected; you have to include that.

Hon. Mr. Alexander: I hope when the five years are almost up, my friends in the Liberal

Party and in the New Democratic Party will say: "Alexander has done a tremendous job under the circumstances. He is deserving of another mandate."

Interjections.

Hon. Mr. Alexander: You started asking these questions and I am prepared to pursue them, so carry on.

Mr. Mancini: They are very interesting. I was interested to learn that the board had a mandatory affirmative action program or an affirmative action program.

Hon. Mr. Alexander: Yes.

Mr. Mancini: Why is it among all the senior officials we have here today we do not see an executive woman?

Hon. Mr. Alexander: I cannot answer that question in terms of why—

Mr. Mancini: I have been here for three days and I have not—

4:10 p.m.

Hon. Mr. Alexander: I think the people we have here today do not include women because we have asked for certain people to be here. We do not take affirmative action lightly. We have a number of women. As you heard in my speech, there are some 60-odd per cent—

Mr. Mancini: Are they not important enough to be here for these hearings? Do they hold positions important enough to be here?

Hon. Mr. Alexander: Yes, they do, but the personnel we have here are the ones I believed you would be asking questions of, vis-a-vis claims, rehabilitation and medical services. As I indicated earlier—

Mr. Mancini: I think you are trying hard, but I do not think you are getting anywhere.

Hon. Mr. Alexander: We are trying hard—

Interjections.

Mr. Mancini: I do not think he is getting anywhere with this answer. You are trying to earn the—

Hon. Mr. Alexander: I believe 39 per cent of the women in the board are in or affected by managerial positions. There has this answer. You are trying to earn the—

Hon. Mr. Alexander: I believe 39 per cent of the women in the board are in or affected by managerial positions. There has been a steady increase over the past few years in bringing women into the higher echelons of the board. That is a policy I do not look at with any lightness. I would like to see a women sitting in

my position one of these days, but I have no control over that.

Mr. Mancini: Well, give us a chance.

Interjections.

Hon. Mr. Alexander: I think they are competent, always have been competent and will continue to be competent. We do not treat that lightly.

Mr. Gillies: If you cannot stand the seat, get out of the kitchen.

Hon. Mr. Alexander: We have an woman executive director, Mary Audia, who is the equivalent of these chaps who happen to be sitting right here.

Mr. Mancini: Maybe the next time we have hearings it might be more representative of the executive if their executive officer of the board—

Hon. Mr. Alexander: I do not want to single them out just because they are women. I will bring them here if they have something to say, but not to have them sit there so you can be pacified that, "Yes, there are women in positions of authority and here they are." They will be here if they have something to say, but not just to sit there so you can say: "Oh, yes, half and half. Good for the old chairman." I do not operate that way.

Mr. Mancini: That is a nice try. Not to let the parliamentary assistant get away with three days of hearings without any questions, he has to earn his \$8,000 as the parliamentary assistant. Is it \$8,000?

Mr. Gillies: I forget. It is not very much.

Hon. Mr. Alexander: Incidentally, how much do you make anyway?

Mr. Mancini: I make \$33,400 plus an \$11,100 tax-free allowance, plus \$60 a day tax free on these committees and \$27 for meals.

Hon. Mr. Alexander: Do you get paid to sit on these committees?

Mr. Mancini: Yes, if they are sitting when the House is not in session. If there are hearings when the House is in session, there is no extra allowance.

Hon. Mr. Alexander: I see. Well, for your information, when the feds sit, they do not get paid.

Mr. Mancini: That is right, but they make \$70,000 a year.

Hon. Mr. Alexander: They represent the whole country.

Mr. Chairman: The questioning is going in the wrong direction.

Mr. Mancini: I think our salary has embarrassed Mr. Alexander.

I want to ask the parliamentary assistant what discussions, if any, he has had with the minister concerning the possible introduction of the bill, and if they have had discussions on whether there will be a bill introduced.

Mr. Piché: Take the fifth amendment.

Mr. Gillies: I will answer your question in a couple of parts.

First of all, yes, I have had discussions with the minister and with the deputy minister regarding this area. In fact, the deputy and I met on Monday on this issue.

I can tell you that of the 10 or so priorities at our ministry, this is certainly at the top of the list. At this point I cannot tell you if there will be a bill in the spring or when such a bill would be coming down. All I can tell you is that it is under very active consideration. We are considering all the options, the work done by the standing committee on the white paper, and we will be responding to the committee in due course.

Mr. Mancini: You cannot be any more definitive than that?

Mr. Gillies: No.

Mr. Mancini: What other legislative program does the minister have for the spring session? You mentioned some other priority items. Is he intending to introduce other bills which may prevent him from—

Interjections.

Mr. Mancini: Just a second, just relax.

Mr. Wiseman: He should be called out of order.

Mr. Piché: Remo started bad; now he has to finish bad.

Mr. Mancini: We just ignore Mr. Piché most of the time. We can ignore him now.

Mr. Gillies: The member for Essex South (Mr. Mancini) asked a question in good faith. You will recall that Bill 141, the changes to the Employment Standards Act, is on the way. Our first priority in the new session is to complete that bill and the clause-by-clause and so on.

When I talk about legislative priorities, the other items are things that have not yet gone to the House but are under discussion within the ministry. I can tell you that I believe there will be initiatives in just about every branch of our ministry. They are very wide-ranging questions from quality of working life, possible further changes to the Employment Standards Act,

possible changes in the labour negotiations and very wide-ranging priority actions.

Mr. Mancini: We are going to be watching the minister very closely because, as was stated before, we have been working on this project for four years. I cannot think of a single reason other than a political reason for the minister not to proceed. I understand we are at the end of our term—

Mr. Piché: You are.

Mr. Mancini: I understand we are in the last 12 months of our term and I understand this is a highly sensitive political issue, but we will be watching the minister very closely to see whether or not the bill is introduced.

Mr. Gillies: I want to assure you there is no higher priority within the ministry now than making decisions in this area and plotting the direction.

Mr. Mancini: The minister should know we are concerned, and we are going to be watching. We want him to—

Mr. Chairman: Will you take that back to the minister, Mr. Gillies?

Mr. Mancini: You want action—

Mr. Gillies: If you cannot stand the heat, get out of the kitchen.

Mr. Mancini: Mr. Alexander, you may have answered this question while I was out. I asked about the board policy of cutting off medical treatments after a period of time when the injured worker had returned to work.

If an injured worker had been off for some time, was able to return to work but was accepted for medical treatment because the injury was possibly chronic but the doctors were not yet sure, and the medical treatments allowed the injured worker to continue to work, there is a policy at the board whereby after a certain amount of time, these treatments are no longer paid for. An example of this is chiropractic treatment.

It is my feeling that these treatments should be paid for by the board, because without the treatments the injured worker might not be able to continue work and then he would be off again on full benefits. It is certainly not beneficial to the board financially and not beneficial to the injured worker. I wondered if you touched on that question.

Hon. Mr. Alexander: We did not touch on it in terms of chiropractic, but as a result of the initiative of the board we have now had a chiropractic consultant at the hospital for the past

two and a half years. There are restrictions. You can reach a stage of no further improvement in chiropractic service.

You are entitled to some eight or nine visits to a chiropractor. I am sure it can be extended with respect to aggravated circumstances or circumstances that are brought to the attention of the board.

In order to get the expertise involved at this time, we will have Dr. Mitchell answer that question. Keep in mind that one of the initiatives taken by the board since I have been there is to bring a chiropractic consultant to the board. He was not there before and it was not all that easy. You understand why. He is there now.

4:20 p.m.

Dr. Mitchell: You responded very well. The problem is, where is the effective balance. There is the problem of maintenance therapy by chiropractors. It is something we have not permitted because we felt this was an ongoing concern, and we do not feel it is appropriate for a whole group of individuals to continue to have this maintenance therapy under the assumed belief this is keeping them at work.

In some individuals, it may well be the factor that keeps them at work. Only a week ago, we had a discussion with a chiropractor consultant, reviewing this and asking: "Would it be better? Would it be more cost-effective to pay this and keep people at work?" The advice we had was, "No, it would not, as we see it now."

In certain circumstances, you are absolutely right, it may be effective and it would have been smart to have paid for the chiropractor rather than have the injured worker leave work. As an overall policy, we think we are on the right path. We think we are cost-effective. We are reasonable in the situation.

On the advice of our consultant, we do not see any immediate indication that would change that policy.

Mr. Mancini: What is the maximum you pay to an injured worker when he is off? What is the maximum amount weekly, full benefits?

Dr. Mitchell: I do not know.

Mr. Mancini: I am an injured worker. I am off work. What is the maximum I will get from the board?

Mr. Van Clieaf: Three hundred and sixty-seven dollars and, I might be corrected, 92 cents. It is \$367.

Mr. Mancini: Three hundred and sixty-seven dollars a week.

Mr. A. G. MacDonald: And 79 cents.

Mr. Mancini: Three hundred and sixty-seven dollars and 79 cents a week. You are trying to tell the committee that if a person is at work and is enjoying the services of a chiropractor whom he may have to visit twice a week, at \$30, \$40 or \$50 for the fee, it is more economical to put that worker back on full compensatory benefits at \$367 a week than to continue to pay for the chiropractic services?

Dr. Mitchell: No, I did not say that.

Mr. Mancini: What did you say, Dr. Mitchell?

Dr. Mitchell: I told you there is probably no evidence that maintenance therapy is keeping the injured worker at work. There is an assumption that it may be.

You use the word he "enjoys" the treatment. He may indeed enjoy the treatment, but it may not be the thing that is keeping him at work.

Mr. Mancini: Please do not twist my words. He enjoys the treatment because it is available. That is how I meant it. I did not mean the guy was on a field trip.

This, in my view, is a policy of the board that not only should be looked at but on which serious consideration to changes should be given. I do not know how in good common sense anyone—and that includes doctors—can say an injured worker who still suffers pain, who has chronic problems or is developing chronic problems, should not be given treatment. The answer to that is to say, "If you do not feel well, stay off work and we will pay you full benefits."

What logic is there to that?

Dr. Mitchell: The logic is that we do not deny patients treatment. There are many forms of treatment. If they are continuing to have symptoms and we can give them a form of treatment that will continue to keep them at work, we will do so.

As a general rule, we do not believe so-called maintenance therapy by chiropractic practitioners should be on a universal, unqualified basis.

Mr. Mancini: That policy leads to the following. It leads to the injured worker leaving the job, sitting around at home feeling depressed with the same chronic hurts he had before while he was at work. That policy leads to the possibility of a permanent partial pension for that injured worker and to that injured worker ultimately losing his job. That is a terribly wrong policy.

I do not know how you can sit there, doctor, and say there is no proof that injured workers need this treatment, and we have no evidence that

this is helpful or keeps them on the job or ultimately forces them to leave the job.

Mr. Wiseman: Remo, did you understand what he said?

Mr. Mancini: I understood fully what he said.

Mr. Wiseman: I think the doctor said "chiropractor consultant." This is one of the chiropractor's peer group saying no in these cases.

Dr. Mitchell: This is not an isolated decision of mine, Mr. Mancini. This a scientific recommendation by one of our consultants.

A lot of treatment fails—not only chiropractic, but medical treatment, physiotherapy. I think we have to individualize as much as we can, but what you are saying is you want a universal attitude so that anyone who wants maintenance therapy can be given it. I say according to our recommendation from a chiropractic consultant, that is not advisable.

Mr. Mancini: What does the chairman think of this?

Hon. Mr. Alexander: I am certainly not a doctor. I try to be all things to all people, but I know when the water is too deep.

You have heard the explanation given by Dr. Mitchell. The chiropractic consultant who is at the board now came as a result of input from the Ontario Chiropractic Association.

As I said earlier, I think you reach a stage of no return. Whether it is chiropractic treatment or medical treatment per se, I think sooner or later you have to pull the plug. I had a bad back myself. I believe in chiropractors. I know what my medical friend down there would think, but I have gone to them and if I have to use them again, I will go to them.

However, in answering your direct question, what do I think about it, I do not think I have the capability to get involved in a medical discussion with you.

Mr. Mancini: It has nothing to do with a medical discussion.

Hon. Mr. Alexander: You were asking me whether I believe that the allowance, in terms of the number of treatments, is fair. I think that is the bottom line.

Mr. Mancini: That is right, that is the bottom line.

Hon. Mr. Alexander: I cannot answer that question because I am not a doctor, and I would not dare try to answer that question after having listened to the explanation given by Dr. Mitchell. I know you wanted me to try, but I know you

know that I would not answer the question because I cannot. I do not have that expertise.

Mr. Mancini: Then the doctors will set the policy at the board, and whatever their feelings are, that is what will prevail. Is that it?

Hon. Mr. Alexander: No, you are exactly wrong.

Mr. Mancini: I am glad I am wrong in this particular situation, because the statements that have been enunciated by the good doctor would lead one to believe that once a person has received so much medical care, someone assumes that whether he is given medical attention or not has no relevancy as to whether or not that worker will be able to stay on the job.

I do not know how anyone could come to such a conclusion.

Mr. Wiseman: It is like another chiropractor saying it is not the medical profession that may have some biases against them. This is one that has been recommended, as the chairman has said, from the chiropractic association—

Mr. Mancini: This one chiropractor is now speaking for all the cases in the province, is that it?

Mr. Wiseman: He should know. He has been recommended by the association.

Hon. Mr. Alexander: With all due respect, I do not know how you can suck and blow at the same time, Mr. Mancini. You asked us what our policy was. We have told you what the policy was, but you do not agree with the policy.

I am telling you that you have medical evidence, and I take it as expert medical evidence, that is trying to answer your question, but you ask what I think about it.

Mr. Mancini: Right.

Hon. Mr. Alexander: It is unfair. All I can tell you is that throughout every passing day, every policy we have is reviewed on an ongoing basis.

Incidentally, I do not think the eight or nine weeks mentioned were a cutoff point; I think there are always exceptions. Every case is dealt with on its own individual merits and if the medical people, under the advice of the chiropractor himself, believe that further treatment is allowed, I know they get it.

It is not as if it is a cut and dried thing; but there is always a cutoff point with respect to medical treatment. Sometimes you are not making any further progress by going to a doctor.

Mr. Mancini: Sometimes you need treatment just to stand still.

Hon. Mr. Alexander: We recognize that fact.

Mr. Mancini: Just to stand still you need treatment. Just to be able to go to the job in the morning you need treatment.

Hon. Mr. Alexander: We recognize that and I think that we are handling it.

Mr. Mancini: I am sorry, but you are not handling it because there is a point where medical treatment is cut off. The doctor first stated the board policy because I wanted to have it clear in my mind. I wanted to make sure that these were not just two or three isolated cases I was referring to. The policy is exactly what I feared it is.

Hon. Mr. Alexander: What you are saying is that medical involvement should continue, regardless of whether there is any effect or not.

4:30 p.m.

Mr. Mancini: No. I am saying if medical involvement allows the injured worker to go to work in the morning and to do his job, that medical involvement should continue. What common sense does it make to pull away medical involvement and send the injured worker home and then have to turn around and pay him to go see the chiropractor anyway?

That is where the policy is faulty. You will have to give him treatment anyway.

Hon. Mr. Alexander: I do not think we can add anything else here. I know we are taking every consideration of your comments.

Mr. Mancini: Sometimes I think doctors have a closed mind on things. I really do.

Hon. Mr. Alexander: I was going to say you could say the same thing about MPPs, but I would not say that.

Mr. Mancini: You were a member of Parliament, Mr. Alexander, for some time.

Hon. Mr. Alexander: Yes, I was.

Mr. Mancini: You worked out in the field and you had to try to make sure theory and policy worked in the field. You know that sometimes it did not work. You are not a member now, so I guess you are out of the kitchen. Is that it?

Hon. Mr. Alexander: No, I am still in the kitchen.

May I ask you one question? I know, Mr. Laughren, that you have about six questions and we are going to get to them.

You brought up something which I did not quite understand and I wanted you to clarify it.

Mr. Mancini: It is 4:30 p.m. and I am not answering any of your questions at the moment.

Hon. Mr. Alexander: You would not do that to me.

Mr. Mancini: Yes, I would.

Hon. Mr. Alexander: Let me put it this way: may I rankle you by saying I object to you referring to a "Mediterranean complex"?

Mr. Mancini: Pardon?

Hon. Mr. Alexander: All right, you do not want to answer questions. Let me say I want to rankle you—

Mr. Mancini: You cannot rankle me.

Hon. Mr. Alexander: —and say I object to you using the phrase "Mediterranean complex."

Mr. Mancini: I object to a lot of things that happen at the board. So what? Things do not change.

Hon. Mr. Alexander: You will not tell me what you mean by Mediterranean complex?

Mr. Mancini: I explained it the other day.

Hon. Mr. Alexander: No, you did not.

Mr. Mancini: Sure, I did. I explained it the other day.

Hon. Mr. Alexander: If you did, I did not hear you.

Mr. Mancini: I explained it the other day. We all know, for a good number of reasons, that a lot of the cases at the board are back injuries which result from construction work. Just about any construction worker who walks in there is looked at with some suspicion. Maybe that has changed somewhat, but I do not think it has changed a hell of a lot.

Hon. Mr. Alexander: So that is what you mean, sir. You see, I was thinking that perhaps you were using that in a personal vein. When you were away I said I was born in Toronto on January 21, 1922.

Mr. Mancini: Who handles most of the construction jobs? Put two and two together.

Hon. Mr. Alexander: Now I know what you are talking about. Every case that is brought before the board is dealt with in a very humane manner, so there is no question when we hear there is a back injury that we look at it in a suspicious way.

I know just what you are saying. Some people out on the street may say that, but we at the board do not say that. We do not approach the problem in that way.

Mr. Mancini: What is Mr. Lofranco doing at the board?

Hon. Mr. Alexander: Where is Mr. Haugh? I thought you did not want to ask any further questions.

Mr. Chairman: It is 4:30 p.m.

Mr. Mancini: What is Mr. Lofranco's job at the board?

Mr. Chairman: I think we have clarified the one point for Mr. Alexander. I would like to thank Mr. Alexander and the members of his board for attempting to answer as many questions as possible, although certainly not to the satisfaction of all of us.

Hon. Mr. Alexander: Mr. Chairman, I know Mr. Laughren has a number of questions here.

Mr. Laughren: Will you undertake to give me those answers in writing?

Hon. Mr. Alexander: Yes, I have them all down. I think you were asking about how many of the employers were fined for late reporting.

Mr. Laughren: Yes.

Hon. Mr. Alexander: You asked the percentage of the total claims, how many were fined

more than once, to what extent are they fined and if there was any group in particular that we could single out. You also wanted to know if there could be a Zenith number for pensions.

I think the other question you asked was about the commutation policy vis-a-vis a 30-per-center getting six per cent. We will give you the answers to all those questions.

I think those are the questions, are they not?

Mr. Laughren: Yes.

Mr. Chairman: It is 4:30 p.m. Once again, as I say, I want to thank the members of the Workers' Compensation Board for appearing, and Mr. Armstrong and Mr. Gillies. Thank you very much.

This concludes the review of the report of the Workers' Compensation Board for 1982.

The committee adjourned at 4:35 p.m.

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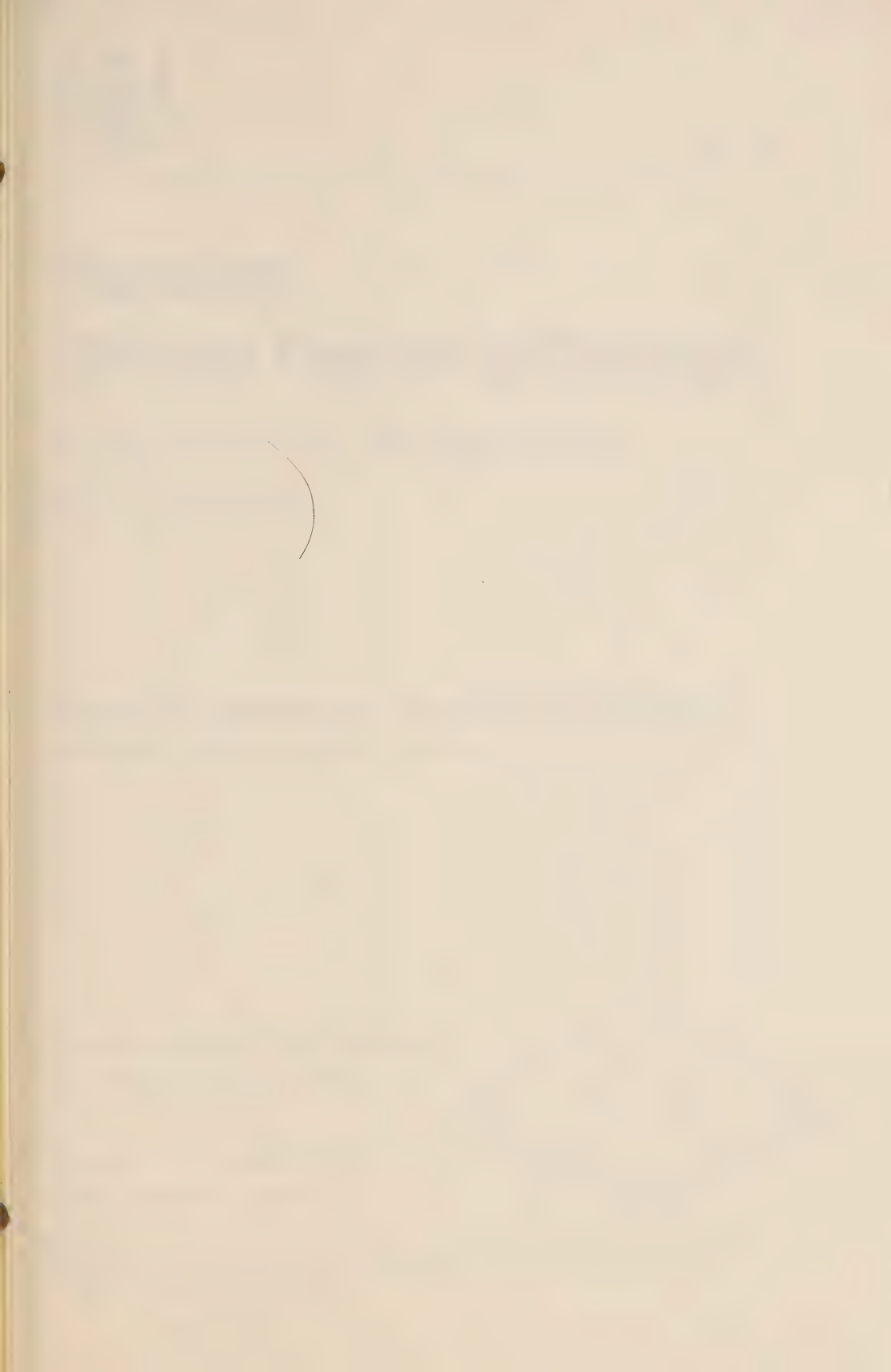
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Legislative Assembly of Ontario

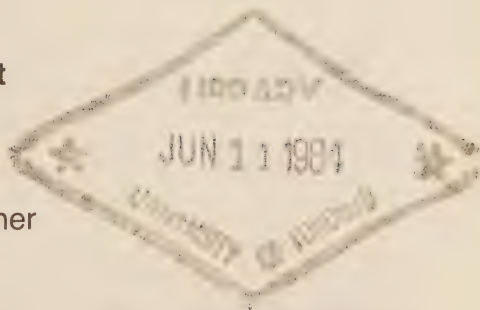
Standing Committee on Resources Development
Estimates, Ministry of Natural Resources

Fourth Session, 32nd Parliament

Wednesday, May 23, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, May 23, 1984

The committee met at 10:06 a.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

Mr. Chairman: Committee members, I see a quorum. We will proceed with the estimates of the Ministry of Natural Resources. We have invited in for this event Mr. John Sloan.

By the looks of the opening statement, it is going to take a good portion of this morning's activities. It will be followed, if there is time this morning or tomorrow evening, by the statements of the two opposition critics, and then away we go into the estimates. Without any further ado—oh, with some further ado; Mr. Laughren.

Mr. Laughren: Mr. Chairman, I have a couple of points. One is that I am seeking the indulgence of the committee tomorrow evening. I am in Sudbury during the day and my plane gets in just before eight, so I probably will not be here until 8:30. I have no objections to the committee going ahead; my colleague the member for Lake Nipigon (Mr. Stokes) will be here. But in case the schedule worked out that I was supposed to lead off, I would appreciate the opportunity to do it when I get here.

Mr. Chairman: Yes.

Mr. Laughren: Second, I think it appropriate that we should have some people appear before the committee during this set of estimates. The reason I raise it now as a procedural matter is to give people time to arrange their schedules.

I hope the committee will agree it would be nice to have Mr. Fahlgren appear before the committee to talk about his progress on the Royal Commission on the Northern Environment report, so we can see what lies ahead in his plans. I would move that the committee invite Mr. Fahlgren to appear before the committee at his pleasure, before the completion of the MNR estimates, and that the time be included within the MNR estimates time.

Hon. Mr. Pope: Mr. Fahlgren does not report to me.

Mr. Laughren: No; I think he reports to the Minister of the Environment (Mr. Brandt).

Hon. Mr. Pope: No, to the Attorney General (Mr. McMurtry).

Mr. Laughren: The Attorney General; okay. I understand that.

Hon. Mr. Pope: We went through this last year.

Mr. Chairman: As I recall, we had a similar motion last year.

Mr. Laughren: I thought you had learned or seen the light.

Mr. Chairman: He is certainly not part of the Ministry of Natural Resources, and it would hardly be appropriate for him. I am afraid I will really have to consider that motion out of order.

Mr. Laughren: You can consider it out of order if you like. It seems to me the committee can ask whomever it wants to appear before it as a guest or a witness to discuss some of the problems.

You cannot separate the Ministry of Natural Resources from northern Ontario. It is an integral part of the north, and what Mr. Fahlgren is doing is important to the north; MNR and the Royal Commission on the Northern Environment affect each other. We are not going to try to abuse him or embarrass him but rather to talk to him about some of his plans.

Mr. Chairman: I did not expect you would. It just does not seem appropriate, in my opinion, to have somebody who is not part of the Ministry of Natural Resources appear before this committee. As I say, I will have to rule your motion out of order.

Mr. Laughren: Okay. I will not challenge it because I do not have any numbers to back me up here.

The third thing, though, flows very nicely from what you just said. I think we should have some Ministry of Natural Resources people appear before the committee. In view of the recent report from Mr. Marek, it would be very nice to invite him to appear before the committee to talk about some of the things he has seen and done in the north central region.

Hon. Mr. Pope: Mr. Marek is not an employee of the Ministry of Natural Resources.

Mr. Laughren: I know that. He is retired now, but that does not prevent us from having him appear before the committee to talk about his

report. Have you tabled that report yet, by the way?

Hon. Mr. Pope: No.

Mr. Laughren: It is not right that one member should have it. Your people sent it to me; I do not understand why you will not table it.

Hon. Mr. Pope: Because I have not finished dealing with it yet.

Mr. Laughren: Spare us all.

Mr. J. A. Reed: Mr. Chairman, there are some people I would like to have who are employees of the Ministry of Natural Resources. One in particular is someone who is very senior in the conservation authorities branch. We have received the report of the flood plain review committee, and some information has come to me that the conservation authorities are objecting to it very strenuously. They are going around to municipalities with prepared resolutions asking municipalities to pass these resolutions without the chance for public input or rebuttal. I have had some response on this report that it appears to be generally acceptable and that people can live with this thing.

I think somebody should be here from the conservation authorities branch to answer directly, first of all, how it is that conservation authorities can run around to municipalities with prepared resolutions, and what it is specifically that the conservation authorities are objecting to.

Hon. Mr. Pope: There is someone here representing the conservation authorities branch.

Mr. J. A. Reed: There will be somebody here?

Hon. Mr. Pope: There is somebody here.

Mr. J. A. Reed: There is somebody here?

Hon. Mr. Pope: Me.

Mr. Laughren: All knowledge resides in the minister.

Hon. Mr. Pope: No, all responsibility, all accountability.

Mr. J. A. Reed: All right; but we are going to expect very specific answers to some of these things.

Hon. Mr. Pope: Sure, and I am aware of the circumstances you just outlined.

Mr. J. A. Reed: I think it is an affront to the people of Ontario, when you are spending the millions of dollars you spend, that you cannot bring one or two senior staff members to answer specific questions.

Hon. Mr. Pope: I will answer your specific questions.

Mr. Laughren: That is one reason there is a morale problem in MNR.

Hon. Mr. Pope: That could be, but I will answer your specific questions.

Mr. J. A. Reed: I just do not understand how you can become so secretive.

Hon. Mr. Pope: I am not secretive at all.

Mr. J. A. Reed: That remains to be seen, I guess, as we get into estimates; but you are just thumbing your nose at the citizens of the province and it is going to catch up with you.

Mr. Laughren: Have we decided not to invite Mr. Marek, by the way?

Mr. Chairman: I was not aware of it, but apparently he is just an ordinary citizen out there in this world of Ontario now. Yes, I would say I have decided to rule you out of order on that, because it seems to me it is like flagging somebody in from the street.

Mr. Laughren: I did not know the bunker mentality was a contagious disease. It obviously is.

Hon. Mr. Pope: I think we are going to go through last December again.

Mr. Chairman: The minister is responsible, and it is my understanding that each ministry handles its estimates in a different fashion. The minister is responsible to this Legislature for the actions of his ministry, and if he chooses not to bring in any outside people or any of his people, then I assume we have to live with that. We hear criticism the other way when we have—

Mr. Laughren: It is not up to the minister. It is up to the committee.

Mr. J. A. Reed: Mr. Chairman, with the greatest respect, I think we all understand that senior civil servants are busy people and that they have a lot of responsibilities other than sitting in a committee room listening to a lot of unexciting exchanges. We are dealing with the budget of the largest ministry in Ontario, however.

It seems to me it would be appropriate if the minister could ask certain specific senior people to be here to answer direct questions put to them. The minister wants to set himself up as the arbiter of all things bright and beautiful, but that is really not an indicator of a good executive, someone who cannot put his faith in his senior people.

I respectfully ask the minister to reconsider. When we need to have senior people here to answer specific questions, I ask him to be agreeable to placing his trust in them and asking them to be here.

Mr. Chairman: I certainly will ask the minister to take into consideration bringing in staff people to answer specific questions at the appropriate time. He will take that under consideration and advise us during the course of these estimates.

Mr. Laughren: Perhaps it would be appropriate and make it easier for the ministry to know the people we would like to have appear.

Hon. Mr. Pope: I can tell you the people you want. You want Ken Armson, George Marek, the chief of the conservation authorities branch, and probably someone from the aggregates branch of Natural Resources. I know exactly why you want them here.

Mr. Laughren: We would like to have Mr. Bird from the Algonquin Forestry Authority. And how about Mr. Walmsley?

Hon. Mr. Pope: Of course, because you want to engage in a political debate using their opinions as staff—

Mr. Laughren: What are you talking about? What is the purpose of this committee? You know what you want? You do not want any opposition at all, do you?

Hon. Mr. Pope: No.

Mr. Laughren: That is what you want.

Hon. Mr. Pope: You want to get staff in the middle of our political debate. That is what you want to do. That has been obvious from your news releases. You are not kidding me.

Mr. Laughren: That is total nonsense. This is a toy for you, is it not?

Hon. Mr. Pope: No. I think it is a toy for you.

Mr. Laughren: No.

Mr. J. A. Reed: Mr. Chairman, this is an exercise in discussing the spending of millions of taxpayers' dollars. It is a political exercise, and it should be.

Mr. Laughren: It is legitimate.

Hon. Mr. Pope: Yes, I know; and I will answer your questions.

Mr. J. A. Reed: This is the way the program works. If the minister is trying to subvert the process, he is going to do it at his own peril.

Mr. Laughren: He will give us his view of the world.

Mr. Chairman: The minister is responsible to the Legislature for every expenditure and every decision of his ministry.

Mr. Laughren: Yes, and he will give us the facts according to him.

Hon. Mr. Pope: Yes, and you will disagree according to you.

Mr. Laughren: That is why we think—

Hon. Mr. Pope: Exactly.

Mr. J. A. Reed: Let the record show that the minister refuses to present his senior people to these estimates to answer questions.

Mr. Chairman: I have asked the minister to take it under consideration and report back to us.

Mr. Laughren: The member wants to make it a political exercise. How ridiculous.

Mr. J. A. Reed: The minister has obviously said he is not going to.

Mr. Laughren: He does not want to make the committee a political exercise.

Hon. Mr. Pope: This is the third set of estimates in which we have had this debate.

Mr. Laughren: Right, and we will have it in the fourth and the fifth if you are still around.

Hon. Mr. Pope: Probably.

10:20 a.m.

Mr. Chairman: Can we proceed now with the opening statement?

Hon. Mr. Pope: Mr. Chairman, I want to start by introducing the members to John Sloan, who became deputy minister on January 1, 1984. As most of the committee members know, Mr. Sloan was a Deputy Minister of Tourism and Recreation prior to January 1. Before that, he had been Assistant Deputy Minister of Natural Resources for southern Ontario. I know he is looking forward to carrying on his duties as Deputy Minister of Natural Resources after he recovers from the shock. I thank him for agreeing to work with me.

I want to present my ministry's estimates for the fiscal year ending March 31, 1985, for the review and approval of the members of the committee. This is the second time in six months I have appeared before the committee with my ministry's estimates. I can say now, as I said when I presented our report for fiscal 1984 last November, that the period under review promises to be an eventful and fruitful one for this ministry.

So far, the 1980s have been interesting years for this ministry. I think this decade will set a tone for a whole new approach to resource management in this province. It will set the tone for what I like to call the new politics of resource management. I am pleased and excited by the progress we have seen so far in this approach.

Basically, the approach to policy and program development in recent years has put a heavy

emphasis on public involvement. We have emphasized the need to plan our resources for the long term, for the benefit of both present and future generations of Ontarians. We have stressed the need to foster a sense of partnership in the responsibility of managing resources with the private sector and we have shown our commitment to that partnership in many ways.

We have reflected this commitment in our approach to land use planning and in the drafting last year of our land use planning guidelines. In it, we have been guided by our community fisheries involvement program, our forest management agreements and the way in which we organize our effort in fighting forest fires.

We have incorporated it in our approach to the drawing up of regulations governing hunting—our moose hunt draw, for example—and our new thrust in crown land recreation. We have seen it in our various federal-provincial job creation programs offering resource-related employment to thousands of out-of-work Ontarians. We have used it in our approach to the drafting of various pieces of legislation, such as the changes being made to the province's Mining Act.

As we begin fiscal 1984-85, I think we are turning a corner. I believe the message we have been trying to get across has finally taken hold. I believe the reality of wide-ranging participation in the management of our resources that I have been trying to foster since I took over as Minister of Natural Resources is taking shape.

Ontarians are starting to talk openly about what happens to their natural resources. People are talking more about land use, the future of their fishery and the future of their wildlife stock. People are also talking more about their provincial parks. People are talking with concern about the forests.

Mr. Laughren: And so they should be.

Hon. Mr. Pope: They are also talking about the progress—so they should be—and the future of mining in this province, water policy and the future of our wetlands.

If the energy crunch of the 1970s taught us anything, it was that we cannot afford to take any of our resources for granted. We cannot assume they will always be there. We cannot afford to let others always be in charge. Ontarians, in unprecedented numbers, are showing they care about resource policy and are speaking out.

We in government have been able to push natural resources to the front of public issues. We have opened up debates and proved we can resolve complex issues equitably and in partnership with an enormous diversity of interests.

We have fostered interest in the debate over the fate of the province's resource base among ordinary people, not just those with special interests. We have offered all interested parties a louder voice and a larger role in the shaping of our natural resources policy.

Finally, we have been able to show a lot of resourcefulness in meeting the demands of our mandate at a time of economic restraint. We have been able to bridge our own provincial resources efforts with those of the federal government and the private sector.

Therefore, overall I think we have strengthened our position of leadership in the development of resource policy, while encouraging others to share the load.

With respect to land use guidelines, our district land use guidelines exercise remains one of our best examples of successful public consultation. It has been almost a year since the land use guidelines were released. Since then we have progressed even further with our resource management plans. Through continued negotiation and public consultation we have strengthened support of our resource management goals.

Initially we issued the guidelines in detailed form in 42 of the ministry's districts. The one where we did not introduce them, by the way, was in Moosonee district. Early last summer public information weeks were held in each district to enable interested groups to get more information on the guidelines. After that, in some districts there were follow-up meetings, mostly with municipal councils and local interest groups, to explain the guidelines further.

The guidelines painted the big picture. They committed this government to a philosophy of multiple-use resource management. For each district they indicated what resource use the government proposed for each area. The guidelines also clarified the government's position with respect to a number of specific resource issues, issues such as mineral aggregates, control of our fisheries and oil and gas exploration in the Great Lakes.

They outlined new policies with respect to access roads, mineral exploration in provincial parks, nonresident use of our crown land and areas of natural and scientific interest. They identified some 250 lakes on crown land with tourism potential. They listed 155 recommended candidates for provincial park status, including six new wilderness areas that were approved by cabinet when the guidelines were released. Finally, the guidelines provided an overview of

our resources, and they committed this government to continued consultation.

The years of public consultation and debate that went into the drafting of the guidelines are by no means over. We have dealt with the question of where the resource uses should generally take place, and we are now working on the fine-tuning.

My ministry staff has drawn up a set of proposals for the specific implementation of those broad principles. For example, we are preparing guidelines that will tell managers how modified management areas will be implemented. For these areas plans will include special provisions to protect other resource values, such as wildlife habitat, shorelines or perhaps plant communities.

Guidelines are also being developed for ensuring there is integrated planning of forest access roads. We have already developed guidelines to ensure that mining exploration within provincial parks is carried out properly. This is a much more technical exercise, making sure the proposals we outlined and the commitments we undertook in the land use guidelines are followed through. We have to integrate those broad proposals into resource management techniques that work, and this requires further consultation and negotiation. We have indicated the general direction in which we wish to proceed in land use, and we now have to start carving out the paths.

The entire land use guidelines exercise has allowed us to establish a unique relationship with our constituents, the constituents of this ministry. That constituency takes in a lot of territory, from the chief officer of a forestry giant to a lone canoeist seeking solitude in one of our wilderness areas. It is a relationship that will serve us well as we endeavour to implement the overall goals of the guidelines.

We learned throughout the planning process that there is no fast and final way to allocate resources; it is a delicate and complex task. We have been extremely successful so far in winning broad approval of our goals and in creating an environment in which all interested parties feel they have a voice. We are optimistic that this sense of goodwill and openness will continue.

The Ministry of Natural Resources is actively involved in promoting Ontario's bicentennial activities. Much of this province's economic history and current strength is based on its wealth of natural resources, so it is appropriate that we look for ways to celebrate how our 200 years of development in southern Ontario and 100 years

of development in northern Ontario are linked to this resource wealth.

It is also fitting that we have chosen this bicentennial year to name an official tree for the province. The tree chosen by the Ontario Tree Council is the white pine. It can be found growing in most of the populated areas of the province.

10:30 a.m.

The white pine occupies a special place in Ontario's early history. For 500 years it has been a vital symbol to the Six Nations of the Iroquois confederacy. The tree symbolizes peace rooted in the earth and law binding the nations together. The branches symbolize shelter and security, and the roots are peace extended to all mankind.

The white pine is also a symbol to other Ontarians. Both the British Royal Navy and the French navy made ship masts from it, and the export of white pine timber from Ontario was a major source of income during the province's first 50 years. Our early settlers used it to build homes, furniture, tools and even toys.

Selection of the white pine makes Ontario the first province in Canada to have an official tree, with the exception of the dogwood, which may be considered a tree, as the official plant of British Columbia.

The late James Auld, my predecessor as Minister of Natural Resources, initiated the search for a provincial tree in 1980. A bill entitled the Arboreal Emblem Act, which formally names the white pine as our official tree, received royal assent on May 1, 1984.

We have declared May 25, which is this Friday, as Arbour Day, a day when thousands of the trees will be planted across the province in conjunction with the Ministry of Education. For instance, we will be distributing white pine seedlings to a number of schools across Ontario, and there will be ceremonial plantings of white pine trees at Queen's Park and elsewhere around the province to mark this special day.

Also this year we have introduced a bicentennial map marking 200 years of development in this province. The map shows Ontario as it was in the year 1784. It highlights sites and events in the province's history. Available in English and French, the map costs \$3 and can be purchased at a variety of outlets throughout the province, including Brewer's Retail stores and post offices.

On August 6 we will celebrate the bicentennial in our provincial parks with free day use. Throughout the summer our provincial parks will host a number of special events commemorating our 200th birthday.

Mr. McGuigan: Minister, could I just stop you? As a matter of interest, how far did the white pine come into southern Ontario? Where I live, down in the southwest, we think of it as hardwood. Where did the white pine come to?

Hon. Mr. Pope: As I understood when I talked to the tree council about this, there were white pine stands down through central Ontario, through the Orillia area, and there were some selected stands very early on in southwestern Ontario. The majority of white pine was up in the Ottawa Valley and through central Ontario, then over around Sudbury and along the shoreline of Lake Huron and Lake Superior, over into the Rainy River area.

Mr. McGuigan: It was only in selected spots in the southern area.

Hon. Mr. Pope: It was our major species and it was found in wide-ranging stands right through the heart of Ontario. In my part of Ontario there were some stands of white pine and red pine, but the majority of the conifer was spruce and jackpine. Some white pines and red pines were harvested in the Kapuskasing area, for instance, and to the east of Timmins in the 1950s and 1960s. Some white pine stands remain, but they are not available for harvesting.

Mr. J. A. Reed: White pine came right down to Lake Ontario.

Hon. Mr. Pope: Yes, especially around the Kingston and Northumberland area.

Mr. Kennedy: They show in the deeds of farm land in Caledon; it was reserved to the British navy for masts. It still shows in the title documents. It was quite broadly growing.

Hon. Mr. Pope: That is one of the reasons it was selected. They wanted to find something that had been in place in all regions of the province. They had considered the spruce for a while, but the spruce does not go much south of the Muskokas.

Mr. McGuigan: The area between Huron and Erie would be mostly hardwoods.

Hon. Mr. Pope: Now it is.

Mr. McGuigan: When the land was covered, it would be mostly hardwoods.

Hon. Mr. Pope: Probably the majority was, but there were significant white pine stands.

Mr. J. A. Reed: I could never understand why the ministry planted jack pine during the 1930s instead of white pine.

Hon. Mr. Pope: Seven million white pines are being planted this year in the bicentennial celebrations, just in ceremonial plantings and

through school children's plantings alone. We are turning that around and getting back to white pine.

Also this summer, the Wakami Wailers will tour Ontario with a special bicentennial show. The Wailers are four young Ministry of Natural Resources parks employees from northern Ontario. They got together four years ago when they were working at Wakami Lake Provincial Park southeast of Chapleau. Since then they have been entertaining audiences in our parks, campgrounds and schools with their singing, storytelling and entertainment that focuses on the tradition and history of white pine logging across this province.

I should add that this group appeared at the Toronto Sportsmen's Show as part of the ministry's exhibit.

Another special bicentennial project is the publication of a book entitled *Geology and Mineral Deposits of the Sudbury Structure*. This project involves my ministry's Ontario geological survey and the Geological Survey of Canada, as well as two companies, three universities and three private consultants. The publication is scheduled for release in December and should provide insight into one of the most mineral-rich regions in the world.

Apart from the bicentennial, this year also marks the 75th anniversary of the establishment in 1909 of two wilderness areas on either side of the Ontario-Minnesota border. Ontario created the Quetico Forest Reserve, now Quetico Provincial Park, and the United States opened the Superior National Forest. For 75 years we have worked together to preserve these unspoiled areas.

This summer a series of special events at Quetico and in Atikokan will mark three-quarters of a century of important and cordial international co-operation.

With respect to special employment: Ontario has changed a lot in 200 years, needless to say, but we still boast some of the most beautiful natural landscape in the world. Our economy, an economy based heavily on our resource wealth, remains strong and resilient.

Our long-term commitment to the wise management of our natural resources also requires the short-term efforts of thousands of Ontario workers. This is where our special employment programs, our job-creation efforts and summer work programs for youth come in.

In the fall of 1981, I approached the federal government with a proposal for a special employment program to help thousands of

forestry workers in this province who had been laid off. At the time, I was looking for federal help in keeping these skilled workers in Ontario during tough times. I felt we needed a special effort to maintain the good health of our resource-dependent communities during an economic slump. I know this was important as a bridge to keep this valuable pool of labour in those resource communities so workers would be available when better economic times returned.

In February 1982, Ontario and Ottawa jointly announced the accelerated forest improvement program. This essentially was a bridging measure under section 38 of the Unemployment Insurance Act. It allowed us to use unemployment insurance funds combined with money from the provincial Board of Industrial Leadership and Development to create temporary work for laid-off forestry workers.

The program has now been expanded to include resource management activities in the areas of parks, mines, fish and wildlife and conservation authorities. The eligibility criteria have been expanded to include all individuals collecting unemployment insurance benefits.

What we are doing is putting these workers back to work. The program supplements the unemployment insurance benefits they receive with extra earnings and benefits. In fiscal year 1983-84, 251 projects under the section 38 program were approved throughout Ontario. These involved 2,144 workers, sharing a total of 27,317 weeks of work. The total cost of these projects shared between BILD and Employment and Immigration Canada was \$14.2 million.

Also of interest is our summer Experience program. We have always offered worthwhile job experience for Ontario's young people. Our efforts have taken on a special significance in the light of the current emphasis on youth employment.

10:40 a.m.

As the throne speech stated, "Economic renewal without meaningful work for our young would be a cruel illusion." This year, the ministry's general youth employment program will provide 810 positions to young people seeking summer work through main office and our 47 district offices. Work in a variety of Ministry of Natural Resources programs will be provided for anywhere from six to 16 weeks. This summer's budget of \$1.6 million was increased to take into account an increase in the provincial minimum wage that went into effect on March 1.

A further 683 students will find work this summer through our conservation authorities' Experience '84 program. A total of \$1.4 million has been set aside for this program, sponsored by our 39 conservation authorities. Students between the ages of 16 and 24 will help plan nature trails, build dikes on stream banks, monitor fish and wildlife movements, and plant trees and restore historical sites, among other projects. The students are employed for anywhere from seven to 23 weeks each.

Also of interest is our Junior Ranger program, which to date has employed some 41,500 Ontario secondary school students in outdoor projects throughout the province. The 1984 Junior Ranger program is eight weeks long and will provide outdoor opportunities in resource-related work for 1,716 young Ontarians at a cost to the ministry of \$5.1 million.

Unemployed young people aged 16 to 24 who are not enrolled in school can also benefit from our winter Experience programs. We have three such programs running from October through March for an average of 12 weeks. The first is our general winter Experience program, offering nursery work, park cleanup and maintenance and clerical work to some 80 out-of-work young people.

A special program for native young people will engage them in construction work, outdoor maintenance and clerical work and other duties. Our conservation authorities offer short-term winter work to a further 42 young people, work that includes trail development, stream rehabilitation, woodlot management and other conservation-related tasks.

There is also the province's junior conservationist award program. There are 28 students taking part this year in this program administered by the Ministry of Natural Resources. It is designed to develop an understanding of the conservation values and skills in technical resource management and community relations in 16- to 18-year-olds.

This year's student groups and leaders will be assigned to the Catfish Creek, Metro Toronto and region, Sault Ste. Marie region and Upper Thames River conservation authorities.

Our youth programs, both winter and summer, give young people an opportunity to become involved in natural resources in a tangible way. Many of our Junior Rangers and others involved in temporary work projects at the Ministry of Natural Resources return in subsequent years to resource-related work.

It is satisfying to know that through these programs we have offered jobs to young people when they needed them, and at the same time kindled their interest in our province's resources.

Last year was a key year in the management of Ontario's crown land. We made a number of changes in regulations affecting the use of our public land by nonresidents. So far, I can say confidently that everything is falling into place.

Close consultation with user groups, with the help of the member for Renfrew South (Mr. Yakabuski), played an important role in the drafting of those changes. A diligent approach to communicating our ideas has helped a lot of people understand what we hope to achieve.

I appointed an advisory committee, chaired by the honourable member, that held four public meetings in northwestern Ontario on July 21 and 22, and on August 9 and 10 of 1983. The meetings were held in Kenora, Fort Frances, Dryden and Sioux Lookout.

More than 200 people attended these meetings, listened to the various alternatives for crown land management, and discussed the options. The majority endorsed a three-part proposal I put forward earlier; namely, that nonresidents should pay to camp on crown land, certain sites should be privatized and certain areas zoned to prohibit nonresident camping. I have to emphasize that this is in the pilot-project area in the Kenora district.

We in this province are in a fortunate position. Ontario is almost one million square kilometres in size. Almost 90 per cent of that is crown land. We have some of the best outdoor recreation in the world. But we must also share this wealth. In particular, we must share it with some 15 million of our American neighbours who live within a day's drive of our provincial border.

The potential for overuse of our recreational land is very real. We want to share our resources, of course. After all, recreational land is meant to be enjoyed. It is also a prime source of tourism revenue. But we also want to share the responsibility of protecting this land. Our visitors must realize they have a vested interest in making sure the Ontario they love to visit continues to be worth visiting.

Over the past two years, we have announced a series of new regulations affecting recreational users of our crown land. Last fall, we announced new rules affecting all nonresident anglers fishing throughout Ontario. Visitors from outside Canada will pay \$20 this year for our new 21-day angling licence, renewable for an additional three-week period for just \$10. Our

four-day nonresident angling licence will cost \$10, a small increase from the old price of \$8. A seasonal licence will cost \$30, up from \$15. An entire family will be able to buy a seasonal licence for \$40.

These new rates for nonresident angling licences took effect this year. Canadian visitors from outside Ontario will pay \$6.25 for an Ontario fishing licence, up slightly from the \$6 they used to pay.

We also took steps to protect certain sensitive species of fish. Special stamps for all visitors to Ontario, Canadians and non-Canadians alike, to allow them to fish for muskellunge and lake trout will cost \$5 a season.

Starting last fall, we also put into effect new rules for nonresidents who come to northwestern Ontario to hunt deer and bear. This summer will be the first time we implement our new rules governing camping by nonresidents on crown land. Both these sets of changes, the camping and the hunting of deer and bear, will take place only inside a pilot study area in northwestern Ontario. The pilot study area is made up of seven MNR districts: Kenora, Fort Frances, Sioux Lookout, Dryden, Red Lake, Ignace and Atikokan.

The crown land camping rules took effect on May 18. Visitors wishing to camp on crown land in the pilot area will be asked to pay a daily \$3 permit fee. A family with children under the age of 17 will be able to camp for \$5 a day. Some areas inside the pilot area will be zoned to prohibit nonresident camping. Nonresidents will be encouraged to go to commercial facilities or provincial parks nearby.

Some sites inside the pilot area will be designated and leased to the private sector to be run as commercial campgrounds. We did this so we could control certain popular unsupervised camp spots. This will ensure that the areas have some supervision, are properly maintained and are controlled against overcrowding.

When we announced these changes, we explained we were trying to include visitors to this province in our resource management equation. At first, many of those outside Ontario, particularly people in the United States border states who make heavy use of Ontario's recreational land, did not see it that way. Their initial response was disappointing. Many American sports and outdoors writers portrayed us as anti-American. Many American hunting and fishing groups protested what they considered excessive penalties and argued that they were being asked to foot the bill for our resource

management. It simply was not true, but obviously we had a communications job to do.

We launched a public relations campaign. I met with state legislators and talked to a number of US journalists. Throughout the winter and early spring, ministry staff attended sports shows in border states, where we spoke to US outdoor enthusiasts and explained our policies. We distributed brochures and fact sheets concerning the new crown land recreation rules. I personally went to sports shows in Cleveland and Milwaukee and spent some time at the MNR booths there. Overall, the response was excellent.

We discovered in many cases the original negative reaction to the new rules was based on misinformation. When given the facts, our American neighbours were more than willing to pay a little more to help us preserve the outdoor recreational opportunities they have grown to love. Many asked us why we had waited so long to make such justifiable changes.

10:50 a.m.

Angling seemed to be the main sore point, the one that gained us the most criticism. We told our American friends how much Ontario taxpayers invest in maintaining and improving our fishery, a fishery that remains open for everyone's use and enjoyment.

We told them that nonresident angling licences brought in \$7.5 million, a fraction of the additional \$40 million contributed by Ontario taxpayers to maintain their provincial fisheries. We pointed out the comparable costs of other recreational pursuits: tickets to professional ball games, the price of gas, the cost of eating in a decent restaurant.

We reminded them of the fantastic opportunities Ontario offers. We reminded them that when they come here to enjoy our outdoor life, they get exceptional value for money, even at the new rates. When we put it that way and they were given an opportunity to look at the facts, our American friends withdrew their opposition almost entirely.

There are more changes in the works, as members are well aware. Over the past several years we have heard much concern about nonresident anglers who fish in Ontario from a United States base, especially in northwestern Ontario. For some time now we have talked about somehow encouraging these visitors to stay in Ontario at night or to pay for the privilege of fishing in our waters.

We are still negotiating our rules governing border waters with the state of Minnesota. The border waters area takes in Lake of the Woods,

Rainy River and Rainy Lake and the lakes and rivers of that region as far north as Highway 11.

Ontario originally intended to implement new border water fishing rules this spring, but then Minnesota approached us with a request for deferral of these new regulations. The state's commissioner of natural resources, Joe Alexander, wanted to match Ontario's initiatives with some resource initiatives on Minnesota's part, initiatives that were designed to protect fish populations inside the boundary area.

Among the things promised at the initiative of Minnesota were the elimination of double limits for Minnesota anglers, closing the walleye season during spawning, an early buyout of the Minnesota commercial walleye fishery in Lake of the Woods and Rainy Lake, and cross-deputization of enforcement officers.

Both Mr. Alexander and Lieutenant Governor Marlene Johnson sent letters promising this action. To date, only the elimination of double limits has received approval in the Minnesota Legislature, and I understand it was enacted by commissioner's order and not by statute.

However, the negotiations with Minnesota are continuing. We have a joint United States-Canadian technical committee working on these allocation issues. It is our intention to work throughout the summer and to have our new boundary waters policy in place by January 1, 1985. By working in tandem with Minnesota resource authorities we feel we will ultimately have a stronger set of rules, rules that will be reinforced on both sides of the border.

The changes in our crown land regulations, from fishing to camping to hunting, are a direct response to public concerns voiced particularly in northwestern Ontario over the past 15 years. They are the product of extensive negotiation and consultation with concerned Ontarians, with concerned United States sportsmen and, in the case of our border waters fishing, with concerned state officials in the border water states.

By applying many of the new rules inside a pilot study area we will be able to gauge their effectiveness and remain flexible to any changes. It is our intention to confine the new hunting and camping rules to the pilot project areas for two or three years, and there are no plans at the present time to extend them.

Most important, we are confident that in the long run the new rules will provide a better recreational experience for Ontarians and visitors alike. At the same time they will increase the economic benefits that accrue to Ontario from the use of our valuable resources. By protecting our

fish and wildlife we can enjoy our recreational resources for a long time to come.

One of the major steps we have taken to enhance our fisheries resource involves commercial fishing. We are moving ahead with the modernization of our commercial fishery, one of the largest freshwater fisheries in the world.

In 1980 Bill Foster appointed a committee to consider—

Mr. Laughren: Where is he now?

Hon. Mr. Pope: Retired, but still active.

Mr. Laughren: Is he retired or is he in some kind of sinecure?

Hon. Mr. Pope: He is, on a volunteer basis, heading up our forestry research committee with industry, university and government representatives, including federal government representatives. He is also with the Metropolitan Toronto and Region Conservation Authority, as chairman.

Mr. Laughren: On a volunteer basis?

Hon. Mr. Pope: I have no idea. I will find out for you.

Mr. Laughren: I see. He is the one who is making everyone at Maple feel easy. That is good to know.

Hon. Mr. Pope: I will get back to commercial fishing.

Bill Foster appointed a committee in 1980 to consider major issues and recommend a simpler, more rational and direct system of commercial fisheries management. That committee included commercial fishermen. In 1982, the committee report was circulated among commercial fishermen and discussed in detail.

Early in 1983, my staff and I reviewed the resulting policy changes and legislative recommendations that were needed in preparation for the 1984 fishing season. In July 1983 we reviewed the proposed changes and last fall we met with executives of the Ontario Council of Commercial Fisheries in Toronto and across the province, in places such as Port Dover and Port Colborne. All parties agreed it was time to move forward with modernization.

The approach we have taken will focus on better overall management of our commercial fishery, with quotas and specifics about the species and quantities permitted spelled out on each commercial fishing licence. We are taking a different approach to the task of managing the commercial fishing resource in this province. Previously, we relied on a number of measures aimed at limiting the efficiency of the fishery harvest. For instance, we limited the number of

hooks on a hook line and the length of gill nets. This has not provided adequate protection for our fish stocks and, as a result, the livelihood of our commercial fishermen appears to be threatened. Our old methods of regulating the fishery also created a cumbersome set of regulations.

With the help of the commercial fishermen, we created a new approach, one that cabinet accepted last February. The new approach has two important principles in mind: conservation of our fish resource and the continued viability of our commercial fishing industry. We are assigning individual species quotas to all licensed fishermen to be written right on their licences. These quotas will be based mainly on past fishing performance and will be reviewed annually.

Starting in January 1985, we will also collect advance levies on the traditional commercial species based on the quantity of fish allocated to an individual. This is in addition to the cost of the basic licence fee. We hope it will raise money to offset the cost of administering the fishery. We also propose to reduce levy charges in exchange for participation in self-policing and co-operative assessment activities. This accomplishes two things: less regulation for commercial fishermen and increased control of management for the ministry.

The quota system will reduce competition among fishermen, since quotas will be based on the best prediction of available fish stocks. The system will also result in more stable fish populations and more reliable supplies of fish to the marketplace. Fishermen will be required to record their fish sales, and quotas will be reviewed each year.

Charging the levies in advance, we feel, will ensure that the fishery is not left idle and that those with licences use them. If production is less than 60 per cent of a similar fishery in the area for two years without a good explanation, the licence may be cancelled. No production, or total inactivity for four years would result in automatic cancellation no matter what the reason.

11 a.m.

We will be increasing our enforcement efforts and auditing the sale of fish in controlling quotas. My ministry, in co-operation with the Ontario Federation of Anglers and Hunters and the Ontario Council of Commercial Fisheries, will also test a new system for handling any incidental catch of fish. All incidentally caught fish will be sold and the money turned over to a fund jointly administered by the OFAH and the OCCF. The money will be used for fish conservation projects such as stocking and habitat rehabilitation.

While we will be revoking many of the laws that have traditionally controlled the commercial fishery's efficiency, we will enforce rigorously those designed to control the total quantity of fish landed. We had a great deal of help and support from the commercial fishing industry in the development of this plan for modernization; however, the new quota system has not been without its critics. The industry seems to be primarily concerned that we consistently enforce the system, that the quotas accurately reflect the stocks of fish available and that the distribution of the quota among fishermen is made in a fair and equitable manner.

We have also put a number of review committees in place to hear appeals by commercial fishermen on their individual quotas. The committees, each under a conciliator selected by the local ministry office in consultation with the Ontario Council of Commercial Fisheries, will deal with those commercial fishermen who feel the method used to divide the total harvest in a quota area places them at a disadvantage to other fishermen. The conciliators will make recommendations directly to me. As I have said before, and I repeat now, we will strive to be fair in our final decisions at all times.

We have also given the Ontario Council of Commercial Fisheries a commitment to step up enforcement and assessment activities, and my ministry will invest in computer capability to better monitor fish stocks. The new system, once it is in place, will offer many advantages to our province's commercial fishermen. Years from now, I believe 1985 will be seen as a turning point in the history of this province's commercial fishery.

We are grateful to the commercial fishing industry for its close consultation throughout the planning and drafting stages of the new system, and we are confident this close consultation will continue as we move to implement our new system. The ministry is committed to conserving our valuable fisheries resources throughout the province. In addition to protecting our commercial fishery and guaranteeing its viability, we are also working to maintain a high quality of sports fishing throughout Ontario.

We are proceeding with development of hatchery facilities in North Bay, at Harwood near Rice Lake, at Blue Jay Creek on Manitoulin Island, and in the Lake Simcoe area. We plan to expand the Tarentorus trout-rearing station in northeastern Ontario and the Normandale fish hatchery in southwestern Ontario.

We are also developing government pickerel facilities in eastern and northwestern Ontario and in the Lake Nipissing area. Three major stocking projects will begin in this fiscal year.

In the Carleton Place, Tweed and Napanee districts in eastern Ontario, we will stock 200,000 pickerel fingerlings in nine lakes. In the Parry Sound district, we will increase stocking in the Moon River from 50,000 fingerlings a year to 200,000 annually. This project will use stock from the Skeleton Lake and White Lake fish culture stations. Another seven rivers and lakes have also been identified for pickerel in the Algonquin region. The yellow pickerel is probably the most valued sports fish species we have in Ontario, one that is particularly important to our tourist trade. The pickerel has also faced heavy fishing pressure in many areas of the province.

These three initiatives will enable us to rear larger, better quality pickerel for restocking those waters where habitat deterioration or fishing pressure has degraded stocks to the point where they are unable to recover by themselves. In future, our stocking priorities will depend more on how involved local people are in their fishery, the amount of habitat improvement that is carried out and further limits on harvest being put in place.

Our community fisheries involvement program continues to be a great success. This will be its third year of operation, and in anticipation of even greater interest and participation by sports fishermen and other groups, I have doubled the amount of funding available to the program. The community fisheries involvement program is an important part of our large effort to increase the opportunities for government and the public to work together. Every dollar we contribute is more than matched by the volunteer labour and donations from sports clubs. This increased funding will help enable us to expand the program's work to other groups interested in getting involved in the management of our sports fishery.

In the program's first year, an estimated 2,100 work days of volunteer labour were provided for 22 approved projects. In 1984, 36 projects have been approved and will provide an estimated 2,500 work days. During the current fiscal year, there will be 12 pickerel culture projects carried out under this important program. In the Parry Sound district, for example, we have a project under way that involves three to four ponds in the Loring-Restoule Vacationland camps. This group expects to raise 100,000 fingerlings for stocking in the Pickerel River.

The Sydenham Sportsmen Association has been working with us for two years, creating spawning beds for brown trout and generally improving that species' habitat in the area near Owen Sound.

In the Napanee area, members of the Loyalist Sport Fishing Association are evaluating the ministry's brown trout stocking program. Club members are gathering data on growth rates, feeding behaviour and migration patterns of the brown trout.

Here are a few more examples of the way in which our community fisheries involvement program has helped improve local fisheries.

At Star Lake near Timmins, the Porcupine Rod and Gun Club plans to introduce a population of smallmouth bass into Star and Little Star lakes. It is hoped naturally-reproducing populations of smallmouth bass will result in these lakes, improving fishing opportunities for anglers.

At Miller's Pit near Timmins, the Timmins Golden Nuggets Conservation Club plans to introduce a population of Aurora trout. Since this species is currently maintained in a hatchery, this would be the only naturally-reproducing Aurora trout population in the province.

Mr. Laughren: Mr. Chairman, I think it is appropriate to introduce to the committee the next member for Lake Nipigon, Mr. Gilles Pouliot, accompanied by the present member, Mr. Jack Stokes.

Mr. Havrot: No politics in committee. Where do you get off with this?

Mr. Chairman: This is a nonpartisan committee. Welcome to the committee, sir. It is good to see you.

Mr. Havrot: Where is the new Conservative member? We should have him introduced here, too.

Mr. Laughren: Why did you not? He is probably where he usually is.

Interjection: Which one was that?

Mr. Havrot: The ex-Liberal.

Mr. Watson: There should be a formal introduction here.

Hon. Mr. Pope: I am just in the middle of an exciting presentation.

Mr. Chairman: If you would like Mr. Pope to start over again, he will start over again.

Hon. Mr. Pope: Yes, I will start over again. I was on page 33. Page 33 is where I am at, halfway down. Everyone is very excited by it all.

Yes, I was talking about Miller's Pit near Timmins. I think I dealt with that one.

The Bluewater Anglers are at the Point Edward water plant. They have a trout hatchery right in the plant itself in co-operation with the Ministry of the Environment. Last year I was there for the planting of the fingerlings in Sarnia Bay. I believe they are doing it again this year in late June. They were actually the first community fisheries involvement project.

I met with them in the Drawbridge Motel at Sarnia one morning in 1981. They were the ones who suggested some of the elements of what is now the community fisheries involvement program and offered to run this hatchery. In fact, a retired biologist from the ministry is giving them some assistance in that project.

Mr. McGuigan: They had a slide show down at the Cloverleaf Conservation Club in Kent county. I attended last spring.

Hon. Mr. Pope: In the Harriet Lake area, the same Timmins Golden Nuggets Conservation Club is working with the Ministry of Natural Resources, with our assistance, at establishing a naturally-reproducing population of walleye.

In general, interest in the program is growing among private angling and conservation groups. We have publicized the program with pamphlets, an audiovisual show and exhibit and, more recently, my ministry's fisheries specialists have prepared a new, detailed stream improvement manual and will make it available to groups interested in the community fisheries involvement program.

11:10 a.m.

My ministry will continue to stock salmon in the western basin of Lake Ontario. We have also pledged to undertake an in-depth look at the potential social, economic and biological effects of the Pacific salmon in Lake Huron and Lake Superior in order to form a management strategy for these species.

We are continuing development of operational—

Mr. Stokes: Is that the humpback salmon?

Hon. Mr. Pope: I think it is. I think that is the species Michigan is stocking.

Mr. Stokes: They are the coho and the chinook. You accidentally planted about 10,000 of the humpback salmon in Lake Superior.

Mr. Chairman: Mr. Stokes, if you wish to participate, perhaps you should get recorded here.

Mr. Stokes: I just want to keep it in perspective.

Mr. Chairman: Yes. You want it recorded.

Hon. Mr. Pope: I think you are right. It is Pacific salmon. The Atlantic salmon species were indigenous to the Great Lakes. There is some argument that they were, and biologists disagree on it. There is some concern that in reintroducing Pacific species, as most of the American jurisdictions have done, we may be altering biological history. However, there are lots of points of view on all sides of that issue and we have been trying to sort through them. Many groups in different parts of the Great Lakes basin have different points of view on the issue.

We are continuing development of operational technology for rearing yearling whitefish for an experimental stocking program in Lake Simcoe. Last year, in recognition of the progress we have made, we extended this program. Our objective is to construct a production facility adjacent to Lake Simcoe for the production of whitefish by November 1986.

This spring we will be able to meet virtually all inland trout and splake stocking requirements in our eastern and Algonquin regions thanks to the development of new hatchery facilities. In eastern Ontario inland waters we will be doubling the amount of stocking for lake trout as well as for a variety of other species. In the Algonquin region we will make similar increases in lake trout stocking.

In all, we are looking at a major expansion of our efforts to manage this province's sports fishery. We are doing this with the excellent co-operation of an ever-growing number of private sports clubs and interest groups.

Our entire effort in this area and the total success of that effort underline the kind of partnership we can achieve in the management of our natural resources, and they show the kind of community support we can foster for the wise husbandry of these resources and the way we can achieve our management goals at a minimum cost simply by working together.

Ontario provides a wonderful setting for recreational boating. We have 34,000 square miles of the Great Lakes for challenging open-water sailing, 396,000 inland lakes, thousands of miles of streams and canal systems, the Thirty Thousand Islands, and the north channel of Lake Huron, which is possibly the best cruising area in the world.

Our residents and visitors take full advantage of these waters. More than half of all the recreational craft registered in Canada are located in this province: more than one million boats with a retail value of more than \$1 billion.

Every year about 40 per cent of Ontario residents spend at least some time boating for pleasure.

The ministry has already taken steps to protect and improve boating and other recreational opportunities along some of the province's best waterways. This winter I signed a new agreement with the federal government regarding the Canada-Ontario Rideau-Trent-Severn corridor. The agreement will implement 48 policies for the CORTS system, which is visited by tens of thousands of boaters each year. The policies deal with pollution control, water management, land use, tourism and recreation, and heritage conservation.

To make sure that boaters have their own line of communication to the government, the ministry has recently set up a new office of recreational boating. This office is under the leadership of Frank Maher, a senior official with long experience in the field of recreational boating.

The office of recreational boating is co-ordinating the allocation of a total of \$10.4 million to develop and improve six major marinas across the province at Peterborough, Midland, Orillia, Thornbury, Sarnia and Erieau west of Chatham.

Mr. Stokes: None in the north.

Hon. Mr. Pope: We are looking at some facilities up north; I think you are aware of it.

We are also trying to streamline the process of boat licensing. This is not a simple task. Federal and provincial jurisdictions overlap in a number of areas.

For example, Mr. Maher has been working with officials of the Canadian Coast Guard, trying to clarify the licensing procedures laid out under the Canada Shipping Act. He is also working with the coast guard on a new approach to boating regulations. The present regulations were developed in the 19th century to administer commercial shipping. They are a bit cumbersome for today's recreational boater. Together, Ontario and Ottawa should be able to come up with simpler laws and clearer language.

The problems of boating safety are becoming more critical in this province. Boating fatalities are on the rise. About 100 to 120 people die in boating accidents in Ontario each year, and 40 per cent of the people who die are impaired, according to the legal definition. This is obviously a matter that needs greater public education. The office of recreational boating is preparing a pamphlet for the 1984 boating season that will talk about problems in boating safety and recommend ways to improve it. The booklet will be available through marinas, liquor stores,

Brewers' Retail outlets and sporting goods stores.

My ministry has been given the task of co-ordinating the government's approach to recreational boating. We have set up an inter-ministerial committee that meets once a month to review and exchange information. This involves representatives from the ministries of Transportation and Communications, Municipal Affairs and Housing, Tourism and Recreation, the Solicitor General and Intergovernmental Affairs, as well as our own ministry. The committee will make sure the government's approach to recreational boating is well co-ordinated. It will also develop new ideas and recommendations for the future.

The public response to the new office of recreational boating, and to the ministry's programs in general, has been very positive. The people of this province love their waterways, and take full advantage of them. They are intensely interested in government programs to improve boating facilities, to increase water safety and to simplify regulations.

We are also in the process of expanding our fine provincial parks system. Our land use guidelines identified 155 candidates for provincial park status. When the guidelines were released last June, cabinet had already approved six of the 155 as wilderness parks. In addition, 35 natural environment, 25 waterway, 74 nature reserve, 12 recreation and three historical parks were named as park candidates out of an original list of some 245 possibilities.

We are now trying to speed up the regulation of the park candidates so that these areas may be put under the jurisdiction of the Provincial Parks Act for maintenance, law enforcement and other purposes.

My ministry's parks branch has created seven groups of 15 to 20 parks each and ranked them according to their priority for regulation. Surveys for one package have been completed. Surveys for a second are already under way. Between 30 and 40 of the 155 park candidates are in the process of becoming provincial parks.

During this bicentennial summer, it is particularly important to us at the Ministry of Natural Resources that our provincial parks provide a haven for the enjoyment of all users. This year, as in previous years, we will be calling on the co-operation of everyone who visits our parks to control noise levels and, for a portion of the summer in some parks, to keep alcohol out of the parks. Both these measures have had much

success in previous years, as they take into consideration the enjoyment of all park users.

In the Algonquin region, alcohol has been banned from use in Killbear and Arrowhead parks between May 11 and May 21. During the same period, 10 provincial parks in the central region, including, for the first time this year, Awenda and Serpent Mounds, will have alcohol bans. Also starting on May 11, seven parks in the eastern region will have alcohol bans imposed.

Our recent efforts to control unnecessary noise in our parks have been successful. This year again all our parks will be encouraging park users to enjoy Ontario's great outdoors without disturbing others, or face eviction from the park. We have one of the finest systems of parks on the continent. Our efforts to keep these parks safe and enjoyable for all users are meeting with success, and we are committed to continuing these efforts.

Mr. Stokes: I am glad to see there is no privatization going on.

Hon. Mr. Pope: Ah, but there is.

Mr. Stokes: You do not even mention it.

11:20 a.m.

Mr. Laughren: There are lots of things he does not mention.

Mr. Stokes: We will get into that later.

Hon. Mr. Pope: Our efforts, which were introduced last fall, to control moose hunting in Ontario are also meeting with success. The selective moose harvest was a strong but necessary measure. Overharvesting, predation, poaching and the reduction of natural habitat were starting to reduce the moose population in the province. Changes in the length and timing of the hunting season were not effective in reversing the trend.

The ministry has some clear goals in mind: a doubling of the moose population by the year 2000, continued opportunities for moose hunters, and the greatest possible economic return for Ontario citizens. The new controls are designed to meet those goals.

There were some initial problems in the allocation of moose hunting tags, but they were overcome. Judging by the response of most hunters, resort operators, outfitters and wildlife managers, the moose hunt controls are doing what they were designed to do. We have gone to some length to talk about the controls with the people who are affected by them.

After the first season, we sought suggestions from hunters throughout the province. We held open forums in Timmins, Sudbury, Iroquois

Falls and Thunder Bay. Other forums in Thunder Bay and Sudbury were organized to talk about those aspects of the selective harvest that concerned tourist outfitters, who are allocated 10 per cent of the harvest.

In response to these suggestions, we have made some changes in the program for next year. From now on, all applicants for a cow or bull tag must buy a moose hunting licence before they enter the tag draw. The applicants whose names are not selected in this tag draw may hunt only calves: these are harder to hunt than adult animals and the calf population can withstand more hunting pressure.

Hunters who did not receive a tag in the computer draw last year will be given preferred treatment this time. The applicants will be divided into two pools: one for people who were unsuccessful in last year's draw, and one for those who were successful last year or who are applying for the first time this season.

This year, hunters applying for tags can specify two wildlife management units where they wish to hunt. Demand varies from one part of the province to another. In some parts of the province last season, hunting pressure was relatively low. In 12 of the 51 wildlife management units in northern Ontario, almost every applicant received a tag. In 24 of those northern wildlife management units, or almost half, there were enough tags to satisfy one applicant in two.

Hunters who want to increase their chances of being issued a tag can consult the ministry's moose hunter's handbook to find units where most or all applicants were successful last year. The object here is to even out the pressure on the moose population across the province and to satisfy as many hunters as possible.

As I mentioned earlier, tags will go first to hunters who entered the draw last year but did not receive tags. If there are tags still available after that is done, names will then be drawn from the second pool, hunters who were successful last year or first-time applicants. There will be almost 50,000 tags available this year.

Since there was no season in wildlife management units 47 to 63 last year, there will be no preferred pool in these draws. Hunters will be selected at random by the computer. The deadline for the draw was last week and applicants are being processed now. We expect to hold the draw in the middle of next month and will advise applicants by mail.

Winter moose population surveys were carried out in nearly one half of the wildlife management units in the moose rings this year. We are still

analysing the results, but early indications show that in some areas at least, the number of moose seems to be up.

The preliminary harvest estimate for 1983 is 9,500 animals, down from 10,700 in 1982. This was in spite of our problem with the computer program for the draw which, as members may recall, led to us issuing extra tags.

Changes made in the licensing system, which were designed to protect the cow population, have clearly worked. In 1982, 38 per cent of the harvest was made up of cows; in 1983, that was down to about 23 per cent. The percentage of bulls increased from 46 per cent in 1982 to about 60 per cent in 1983. This is a much more desirable balance and should ensure the growth of the moose population in the years ahead.

By and large, the control program has been well received and is working fairly and efficiently. There were some reported incidents last fall in which licences allocated to tourist outfitters were sold to people who were not registered guests of the outfitters. If this were allowed to continue, it would undermine the program. Outfitters have been warned to monitor very closely the distribution and use of the tourist allocation of tags.

Selective harvest in the deer management program has been a definite success. The selective harvest program we began in 1980 is working well. The herd is increasing and hunters have come to understand and accept the program. We have also been paying a lot of attention to habitat improvement, winter feeding and the control of some predators in some parts of the province. These measures are also proving effective.

We are now turning our attention to the management of black bear and we hope to introduce a revised program this fall. The emphasis will be on conservation of an increasingly important big game animal, as well as control of nuisance bears.

We think that licensing, harvesting controls and an effort to gather more information about the size of the bear population in the province will ensure the survival and growth of this species. We also think that an increased effort at disseminating information will reduce safety hazards and property damage associated with nuisance bears.

We have always believed that providing detailed information is the key to many things, especially hunting safety. This is why I am especially pleased that we will be releasing a 304-page hunter's guide this summer. It includes

detailed information about hunting ethics, the role of the hunter, and hunting techniques. It also has sections on wildlife identification and management, survival, hypothermia, first aid and physical fitness.

The guide is based on manuals prepared by the province of Alberta and the National Rifle Association in the United States. It will be published and distributed as a co-operative venture by the Ontario Federation of Anglers and Hunters. The printing agreement with the Ontario Federation of Anglers and Hunters is similar to one that has been in operation with the Ontario Trappers Association for two years.

This guide is just one more example of our efforts to make hunting as safe as possible in Ontario. I think we have already proved how much we care through our hunter education training.

Of course, there is more to wildlife management than hunting. Ontario has long been a leader in nongame initiatives. We have found that the private sector welcomes a chance to participate in programs that deal with nongame animals.

For instance, the World Wildlife Fund is helping us determine which species may be on the brink of extinction, something that is always a major task, and we continue to receive assistance in our peregrine falcon reintroduction program. Last summer, Upper Canada College offered facilities and staff time for a reintroduction project. This year, an insurance company in downtown Toronto is offering the same assistance.

Both sportsmen and naturalists alike supported our efforts this spring to re-establish wild turkey flocks in southern Ontario. A private foundation was established to defray partly the cost of transporting the birds and conducting research into how well they are doing in an Ontario habitat. Michigan offered the wild turkeys for this re-establishment program after we agreed to provide moose from areas of Ontario that are not hunted. Michigan will transport the moose at their expense.

Mr. Stokes: Are they from Algonquin Park?

Hon. Mr. Pope: Partly. They are not from Iroquois Falls or Timmins or Nipigon, as you have heard.

Mr. Chairman: Not all the wild turkeys sit around these tables here.

Mr. Stokes: We are exporting them.

Hon. Mr. Pope: Of course, just as some animal populations can be described as under

pressure, so can some kinds of land, and the government has recently moved to stem the loss of one of the province's most valued terrains, our wetlands. Again, we are counting on public participation in order to effectively manage wetlands.

At one time, Ontario had almost 50 million hectares of wetlands, two million of them in southern Ontario. Wetlands are areas covered permanently or seasonally with standing water. They include swamps, marshes, bogs or fens.

Wetlands are useful, as well as beautiful. They maintain and improve water quality. They help control flooding. They provide a rich habitat for fish and wildlife which, in turn, contribute very substantial economic benefits to the province from hunting, fishing and other recreational uses like bird-watching.

11:30 a.m.

About 80 per cent of the wetlands in southern Ontario has now been drained or seriously altered, for one reason or another. In some cases it was to provide land for houses or farming; in others, it was to protect a shoreline. The trend is quite clear and it must be controlled.

In 1980, the Ontario government set out to evaluate the problem and develop a strategy to deal with it. My ministry released a discussion paper in September 1981 that explored a number of approaches to the problems of Ontario's wetlands and invited public response. As a result, the ministry received some 500 written comments and briefs. Also in September 1981, the ministry sponsored the Federation of Ontario Naturalists' wetlands conference in Toronto. Ministry staff were at this conference and some contributed papers.

From March 1981 to March 1984 a joint federal-provincial committee, working with the Federation of Ontario Naturalists and Ducks Unlimited, developed a provincial evaluation system. This system is designed to help governments and planners assess the relative importance of wetlands in their areas from both economic and environmental points of view. In April of this year, that provincial evaluation system was released to the public. It will be used as a tool, in part, of the first phase of Ontario's new policy to manage and protect the provincial wetlands.

Essentially, we have embarked on an inventory of Ontario's wetlands. Under the provincial evaluation system, wetlands will be ranked into seven classes according to their ecological, social and economic value. This process will help local officials assess the importance of the

wetlands in their areas. It will also assist conservation authorities in managing watersheds and meeting other objectives, and it will help the province in overall planning.

There will be careful testing and consultation with municipal officials as an integral part of the process leading to a policy statement under the Planning Act. Ontario has made a clear beginning, under the provisions of the Planning Act, in the important task of conserving and protecting some of the most useful lands in the province.

Wetlands are also a source of many valuable resource products such as fur, wood, and wild rice. The major stands of wild rice are in wetlands in the northwest. As you know, the ministry is responsible for managing the harvesting of wild rice on all crown lands. In the Kenora and Dryden administrative districts, and in several smaller areas in Red Lake, Sioux Lookout, Thunder Bay and Fort Frances, the ministry has restricted wild rice harvesting rights to various Indian bands.

In May 1978 the province established a five-year moratorium on the granting of any additional licences to harvest wild rice to non-Indian people, including nonstatus Indians and Metis in northwestern Ontario. The purpose of the moratorium was to give the Indian people a chance to improve their position in the wild rice industry. Along with the moratorium, Ontario has provided the Indian people with various forms of technical and marketing assistance.

The established time period of the moratorium has now expired. However, at the request of Grand Council Treaty 3, the province has agreed to take no action in this area during current negotiations between the province and Grand Council Treaty 3.

Grand Council Treaty 3 believes that the Indians have a special right to harvest wild rice in this area. The province believes that the resources can be managed for the benefit of all the people of Ontario. We think we should be able to come to a fair resolution within a reasonable time period.

Ontario's 39 conservation authorities continue to be the key to water management in Ontario. For the past 40 years they have been practising the kind of partnership between user groups and government that we are now, in the 1980s, trying to achieve in so many other resource areas. Our conservation authorities provide some of the best recreational areas in the province. Our children toboggan down their hills and families picnic on their grounds. But we should never lose sight of

their basic purpose: flood protection and water management.

Like land use planning, flood plain management is of critical importance to the future of this province, but it is an issue which, partly because of its complexity, is taking a long time to resolve. We, here in Ontario, have not experienced lately the severe flooding that has occurred in many other areas of North America, areas such as along the Mississippi River and the British Columbia coast. We have not been immune to flooding problems but, perhaps, because such problems have not touched a significant number of our citizens, or have not been of a sufficiently severe and frequent nature, flood plain management has only recently become a topic of heated public debate in some areas of our province.

This ministry considers the issue of flood plain management a high priority. In the past couple of years we have sought to resolve many of the issues involved in sensible management of our flood lands. We have sought to devise, with full public consultation and public debate, a policy for flood plain management that will meet this province's needs well into the future.

I am happy to say we are nearing the end of our work. That work began in September of 1982, when we issued basic policies for the management of our flood plain lands. Some people felt, at that time, that the policies were already outdated and did not properly reflect the accumulation of some 15 or 20 years of thinking on the issue. The last time the public had a chance to offer some input into these policies had been in 1977, when the ministry undertook a comprehensive public review of flood plain management. There was a demand for a new opportunity to review the issues in a public forum.

Last September I named an independent review committee, headed by the member for Prince Edward-Lennox (Mr. J. A. Taylor)—

Mr. Laughren: Truly independent.

Hon. Mr. Pope: As his report indicated—to look at the area of flood plain management. The seven-member committee held public hearings in 15 centres across the province and received 300 written submissions. The hearings ended on October 26, and on March 29 of this year I tabled a report of the review committee in the Legislature. It contained 13 recommendations. These recommendations are wide-ranging and constitute an important contribution to the development of an integrated flood plain management policy for Ontario.

One recommendation proposes that a new minimum standard for flood protection be

established in Ontario: areas designated as flood plains will be protected against flooding that has a probability of occurring once every 100 years.

While I support this recommendation in principle, I have publicly stated we will not support the lowering of flood plain criteria in any part of the province where the past history of actual flooding indicates the need for higher criteria. Second, we would support changes to our existing criteria only with the consent of the majority of municipalities within a certain watershed.

Mr. J. A. Reed: Boy, talk about the double whammy there.

Hon. Mr. Pope: I have sent copies of the Taylor committee report to all municipalities, to the 39 conservation authorities.

Mr. J. A. Reed: Why? Your conservation authorities are running around supplying the municipalities with resolutions like madmen.

Hon. Mr. Pope: And the municipalities are reacting positively to the Taylor committee report as well, and for many years have been sending us resolutions.

Mr. J. A. Reed: Conservation authorities are opposing it.

Hon. Mr. Pope: Some of them may be.

I have sent copies of the Taylor committee report to all municipalities, to the 39 conservation authorities and to all the groups and individuals who have submitted briefs to the committee. The report has also been made available to the public through my ministry's district and regional offices.

I have asked for written comments on the report within 90 days of its release, which gives us until the end of June to receive a reaction. Once those comments are in, I expect the proposed new policy will be drafted quickly. A final provincial flood plain policy will be developed and issued under subsection 3(2) of the Planning Act.

Before a final policy is decided on, we must deal with a number of critical issues. The responsibilities of various government agencies in flood plain management must be defined. The role of the private sector in flood plain management must be clarified.

We have to set down the criteria within which decisions can be made in flood plain management—criteria that would allow some flexibility within certain defined limits. Finally, we must ensure that there is a commitment among our technical and professional people in the field to increase public awareness of flood plain issues

and public understanding of any programs we implement. We have also put forward a number of proposed changes to the way our conservation authorities are administered and the methods they use to reach decisions.

In recent years, several authorities have moved away from having their executive committees as the main decision-making bodies. They are involving a broader base of their members in decisions related to their ongoing operations. This, I feel, is a step in the right direction. I will be encouraging all our conservation authorities to pursue this same approach where possible.

11:40 a.m.

Our overall objective is to increase the public's awareness of how our conservation authorities work, what they do, and how they make decisions. To that end, I will be asking the authorities to modify some of their administrative procedures. Some proposals include: asking the authorities to give advance notice and agendas of their meetings to their member municipalities and the public; making minutes of those meetings available to all interested parties; and improving the public's access to information contained in authority documents, such as engineering reports and maps.

These changes in the way our conservation authorities operate will, I believe, make them even more accessible to the public, increase understanding of how they work and increase public support for the authorities' work. The more involved people are in the ongoing work of our conservation authorities, the easier it will be for all of us to solve the critical water management issues facing this province.

This is all part of the high priority my ministry has placed on its role in water management in Ontario. While Ontario's flooding problems have not been as severe as those witnessed recently in parts of the United States, we cannot afford to take our good fortune for granted, neither can we afford to take our abundant supply of water for granted—not without disastrous results.

When we could fill up the tank of an eight-cylinder car with gas for \$5, no one thought about an energy crunch or worried much about its political and economic implications. Living on the shores of the Great Lakes, as we do here in Ontario, it is unlikely our residents give much thought to the politics of water and the problems of water management. Yet these days Great Lakes water is seen as a welcome and much-needed oasis by some water-hungry American

states. There are farmers in the midwest who want to use it for irrigation and western coal producers who want to mix it with coal for transportation in coal slurry pipelines.

We in Ontario have made it clear we will not support indiscriminate diversions of waters from the Great Lakes for any reason. Still, the pressure mounts. We must withstand this pressure and manage wisely. Keeping the channels of communication open with those who would dig into this rich resource for their own immediate needs is as important as managing it wisely, for our own use and for that of future generations of Ontarians.

Mr. J. A. Reed: You talked about the energy crunch twice, but you still have not provided an addendum to the land use guidelines in terms of preserving water power, which you promised last December.

Hon. Mr. Pope: And which we are doing.

Mr. J. A. Reed: I do not have it yet.

Mr. Laughren: Do not embarrass the minister.

Mr. J. A. Reed: It was included in your first report when the guidelines were still policy objectives, but you have never ever done that.

Hon. Mr. Pope: We went all through this. Do you want to see our policy guidelines for new power sources? Is that what you want to see?

Mr. J. A. Reed: I would like to see reincluded a statement that your people so conveniently left out.

Hon. Mr. Pope: What statement would you like to see included?

Mr. J. A. Reed: On the preservation of water power.

Hon. Mr. Pope: We think the generation of hydraulic power using our water resources is an important resource. The development of it by both individuals, companies and governments is a high priority in this ministry, period.

Mr. J. A. Reed: Your original statement, which was dropped—

Hon. Mr. Pope: I just made a statement on that.

Mr. J. A. Reed: —in the land use guidelines had said that no water power would be obliterated without first giving due consideration to its energy producing potential.

Hon. Mr. Pope: Okay. No water power source will be obliterated without giving consideration to its energy potential.

Mr. J. A. Reed: Which you have already forgotten about out in the field. I will be very specific.

Hon. Mr. Pope: Good, be specific. I just made the two statements you wanted to hear from me. You can use Hansard now.

Mr. Chairman: You are between pages 58 and 59.

Hon. Mr. Pope: Oh, sorry. Next month, our provincial government will host an international conference to address this very important issue. The conference, called Futures in Water, will be held at the Harbour Castle Hilton on June 12, 13 and 14. We have invited people from every side of the water management issue—politicians from the United States and Canada, academics, and technical experts and representatives from environmental, consumer and other user groups.

The central theme will be the impact of this increasing demand on Great Lakes water: who wants it and why; who needs it; what factors affect our decisions in allocating water and how much to pay for it. We will have speakers from the International Joint Commission, from the United States Army Corps of Engineers, from Environment Canada, the Centre for the Great Lakes, Tourism Ontario, the Dominion Marine Association and the Conservation Council of Ontario. One of our keynote speakers will be Paul Robinson, the United States ambassador to Canada and the governor of Utah, I might add.

Mr. Stokes: You know what he wants.

Hon. Mr. Pope: I wonder.

Mr. Laughren: I know what Paul Robinson wants, too.

Mr. Stokes: They want to irrigate the whole northwest.

Mr. Laughren: However, we must give them a platform.

Hon. Mr. Pope: You should have been in Minneapolis this weekend.

Mr. Laughren: You mean you were not tramping the woods in northeastern Ontario?

Mr. J. A. Reed: Too many blackflies.

Hon. Mr. Pope: I was at a midwest conference that was sponsored by the National Water Alliance.

Mr. Laughren: I am reassured that you do not spend every weekend tramping the woods in northeastern Ontario.

Hon. Mr. Pope: You have been watching my house again.

Mr. Laughren: No, I have been reading your interviews.

Mr. Stokes: We were talking to your wife.

Hon. Mr. Pope: Okay, you guys. How do I deal with that one?

Okay, where was I?

Overall, the Futures in Water conference is going to be an important meeting, not only in the way in which it will bring together various points of view, but in the role it will play in increasing the degree of public awareness of emerging water management issues.

At the conference we will distribute for the first time an atlas-type report prepared by my ministry. It is entitled *The Water Quantity Resources of Ontario*. Hardbound copies will be made available to conference participants and our conservation authorities and later to schools and individuals interested in water management. It will also be available for sale to the public.

The atlas is an up-to-date assessment of the current supply and demand for water in Ontario. It contains 72 pages of high-quality graphics, charts and maps. We feel it will play an important role in documenting the pressures on our Great Lakes water supply and in increasing public awareness of those pressures.

Agricultural, industrial and other demands for water are growing. We have to put in place policies that will conserve and protect this valuable and largely irreplaceable resource. The potential for serious environmental damage and navigational problems exists if these issues are not addressed in the near future. We must protect our wetlands areas. We have to guarantee the stability of our future supplies of hydroelectric power and we must ensure our cargo shipping capacity in the Great Lakes system is not reduced in any way.

I might say, as members are well aware, the recent International Joint Commission report indicated that by the year 2035, consumption without diversions, consumption within the Great Lakes water basin, will grow from 400 to 700 per cent. Given an absence of conservation measures, the effect, if it was a seven-fold increase, would be a lowering of the water level in some of the Great Lakes by as much as 13 inches.

Mr. Stokes: That is why you are saying over your dead body.

Hon. Mr. Pope: Sort of.

I think it is a serious issue that the International Joint Commission has been starting to deal with. We are starting to deal with it in the context of some of the conferences and discussions that seem to be going on at a very technical level, ignoring the principle in other jurisdictions.

Needless to say, I left promptly after the Minneapolis speech. I was not invited to stay.

The 1980s, I believe, will be a decade of taking stock of our resources. It will be a decade in which careful utilization of the resources at hand will require meticulous planning for the future. To aid in all of this, the computer will play a larger and larger role.

Over the next three years the Ontario government, led by my ministry, will spend \$5.3 million on the development of a computerized mapping system for use by the provincial and municipal governments and the private sector. It will be developed in co-operation with the Ontario mapping industry and the municipalities. The project is an initiative of the Board of Industrial Leadership and Development, to be cost-shared by the participating groups.

The new system will have a number of distinct advantages. It will bring all land-related information into a common data base. It will enable emergency vehicles to choose the shortest response routes, based on available information. It will aid in the planning of our forest fire attacks by providing information on wind speed, moisture and fuel conditions. It will make title searches and land value assessments easier. It will replace municipal map files with a single data base.

11:50 a.m.

The new system, called the digital land related information system, will generate new revenues for this province's mapping industry over the next several years, as it markets similar systems for domestic and overseas markets. The new system will also create new jobs for the industry over the next decade. It will bring the industry squarely into the computer age and put it in a firm position to compete strongly in international markets.

I have also just recently introduced a bill to revise the Surveyors Act. The revisions accurately reflect recent changes in the capabilities of the surveying profession in Ontario. They will accommodate the increased specialization in the surveying field.

I am pleased to report that the climate for mineral exploration in Ontario has vastly improved. I believe government can take some credit for this. Gold prices have held steady, which has helped. My ministry has also helped by supporting other parts of the minerals industry, through support of technology improvement, better mapping and increased financial incentives.

Our mining sector is, overall, undergoing significant changes. We are in the midst of one of the largest gold exploration booms Ontario has seen in recent decades.

Mr. J. A. Reed: And financed from Vancouver.

Hon. Mr. Pope: Is it? I thought a lot of Ontario residents had invested in that stock.

Mr. J. A. Reed: Not Hemlo.

Hon. Mr. Pope: Oh, yes, they did.

Mr. J. A. Reed: Yes, but they had to do it through the Vancouver Stock Exchange.

Hon. Mr. Pope: Yes, but they still invested.

Mr. J. A. Reed: No junior mining.

Hon. Mr. Pope: Do not say there is no Ontario money in there.

Mr. J. A. Reed: No junior resource exchange in Ontario.

Hon. Mr. Pope: Do not say there is no Ontario money there, because I know differently, even though it is not my money.

Mr. J. A. Reed: The Ontario money had to go through Vancouver. You know it. It should be an embarrassment to you.

Hon. Mr. Pope: Should it? I see you have read the Northern Miner's editorial on the Vancouver exchange.

Mr. J. A. Reed: No, I have not.

Hon. Mr. Pope: Well, you should, before you go off saying that the Vancouver exchange is the be-all and end-all.

Mr. Havrot: It is a bucket shop.

Mr. J. A. Reed: I did not say it was the be-all and end-all; I said it has a junior mining capability.

Hon. Mr. Pope: You said I should be ashamed, and I suggest that you read the editorial in the Northern Miner.

Mr. J. A. Reed: You should be ashamed of the fact that we do not have a junior resource exchange here. That is what you should be embarrassed about. One of your predecessors wanted one.

Hon. Mr. Pope: Is that right?

Mr. J. A. Reed: I have the newspaper articles right here.

Hon. Mr. Pope: I am glad I know what you are going to deal with.

Mr. Havrot: Talk to Elgie about that.

Mr. J. A. Reed: Oh, that has been talked about before?

Mr. Havrot: Sure it has.

Hon. Mr. Pope: Anyway, yes, I would say there is lots of Ontario dollars, lots of Ontario entrepreneurs, lots of Ontario prospecting and developing.

Mr. J. A. Reed: It is not quite that simple.

Hon. Mr. Pope: Great progress in the Hemlo camp.

Mr. J. A. Reed: We know.

Hon. Mr. Pope: All of the junior companies are in receipt of funding from the Ontario mineral exploration program.

Mr. Havrot: Look at all the Ontario minerals, oil and gas discoveries in Alberta.

Mr. Chairman: Perhaps we could deal with this a little more fully at a more appropriate stage of these estimates.

Mr. Havrot: This is more fun.

Hon. Mr. Pope: I want to talk about the Ontario mineral exploration program.

Mr. J. A. Reed: It is more fun to interject.

Mr. Havrot: I know it is. Why spoil our fun?

Hon. Mr. Pope: All those 25 per cent grants stimulated Hemlo—all that good, Ontario money.

Mr. Chairman: Are we all through?

Hon. Mr. Pope: We are blessed with significant mineral potential. We have a number of competitive strengths: outstanding engineering and operating capabilities; political stability; a skilled and productive labour force; and fairly stable labour relations.

These are exciting times. Last year, all segments of the industry reported increases in the total value of mineral production. The value of metals was up 14 per cent. Structural minerals rose 16 per cent. Nonmetallic minerals were up nine per cent, and fuels rose 16 per cent.

As the world economy improves, the base metal producers look forward to price recovery which, along with volume increases, will restore profitability to their operations.

In addition to these production increases, two indicators of future potential—mining claims and assessment work—both hit all-time highs in 1983. In both categories, we exceeded anything ever recorded in 80 years of record keeping, with more than 70,000 mining claims recorded and close to 2.5 million days of assessment work on the books.

Our drill core library program, supported by the Board of Industrial Leadership and Development, is proceeding. Under this program, eight drill core storage facilities will be built across

Ontario by 1986, filling a significant geological information gap.

The need for a sophisticated system of drill core data storage is clear. Each year, the private sector spends some \$14 million on drilling. The geological information collected in this drilling is valuable to future work. Most of the time, drill core from previous exploration is dumped or simply left in the field to deteriorate.

The storage facilities, when completed, will provide for a total of more than 1.5 million metres of drill core storage across the province. This will provide a permanent record of geological information to the mining and exploration industry. This, without doubt, will increase the efficiency and effectiveness of our exploration efforts.

Construction of facilities at Timmins, Sault Ste. Marie and Kirkland Lake has been completed. Core libraries at Bancroft and Tweed are almost complete, and this year work will begin on facilities at Thunder Bay and Kenora. The last facility is to be built in Sudbury and is expected to be completed some time in 1986.

The establishment of these drill core libraries is just one of the ways in which we are carrying through with our commitment to develop our mining resources. They are just one way in which we are proceeding to update and upgrade the technical expertise we require to take full advantage of all this potential.

Our Ontario mineral exploration program, or OMEP, is another way in which we are standing squarely behind the mineral exploration sector and helping to foster its healthy development.

The Ontario mineral exploration program was introduced in 1980 and by April 30, 1984, it had helped finance projects totalling \$72 million in exploration by the private sector, with \$14.5-million-worth of aid. This investment helped to create some 4,900 new jobs in the mining sector.

In all, 867 programs have been earmarked for assistance from the Ontario mineral exploration program, representing \$200 million in planned exploration. A total of 441 of these projects have been completed.

The Ontario mineral exploration program grants provide economic stimulation to the mining sector by providing grants to help offset exploration costs. OMEP funding has paid off in many ways. OMEP contributed to the financing of the exploration which led directly to the recent gold finds at Sturgeon Lake, Cameron Lake and Hemlo. OMEP's present commitment to Hemlo is more than \$4.5 million in grants to some 69 companies. These firms, in turn, are expected to

spend more than \$18 million on exploration in the area.

At Cameron Lake, the Ontario mineral exploration program contributed to the financing of the exploration program, resulting in an important gold find, and generated a major staking rush in northwestern Ontario. Today, more than 75 companies are active at Cameron Lake.

Our small rural industrial mineral development program—another Board of Industrial Leadership and Development initiative—has expanded the production of industrial minerals within Ontario and created new jobs. We have helped our industrial mineral producers weather the recession. We have helped them make further inroads towards satisfying our domestic needs for industrial minerals, as well as developing export marketing opportunities. Grants under the program last year totalled \$3.4 million, the largest going to Steep Rock Iron Mines, which received \$1.35 million.

Mr. Laughren: That was an obscenity.

Hon. Mr. Pope: Steep Rock, in turn, spent a further \$7.1 million on an expansion of its plant at Perth.

Mr. Laughren: You are really bankrupt when you have to throw money at Canadian Pacific, I will tell you.

Hon. Mr. Pope: The plant's production capacity has now doubled.

Mr. Laughren: It sure has. They saw you coming.

Hon. Mr. Pope: This expansion would not have happened without the program.

Mr. Laughren: They sure saw you coming.

Hon. Mr. Pope: This year, my ministry's Ontario geological survey will award another \$1 million in grants under its exploration technology development program to the mining exploration industry. Funding for this program is supplied by BILD. Projects funded under the program are aimed at increasing efficiency in mineral exploration through the development of new techniques, new equipment and new facilities. BILD has earmarked \$5 million for the program over five years.

Through our Gomill gold milling program, private companies are offered interest-free, forgivable five-year loans towards the construction of custom gold milling and testing facilities. BILD has allocated \$10 million for this program. Each project can qualify for up to \$1 million in aid. This program continues to help mining entrepreneurs who do not have enough capital or proven ore to build their own mills.

The first gold mill was established in Beardmore by Pancontinental Mining in 1982, with \$1 million of assistance from the government. Goldlund Mines has also received assistance in early March of this year for their operation south of Sioux Lookout.

This year, Pamour Porcupine Mines at Timmins became the third company to sign a Gomill agreement for a mill.

Mr. Laughren: You are not saying a word about free enterprise.

Hon. Mr. Pope: What about it?

Mr. Laughren: I want Mr. Havrot to sing the praises of free enterprise—

Hon. Mr. Pope: I think it is great that we now have milling facilities available to the small and medium-sized producers.

12 noon

Mr. Laughren: Why are you going for that bait now? I wanted Mr. Havrot to make a comment.

Mr. Havrot: What are you talking about, "free enterprise"? These are free enterprise operations.

Mr. Laughren: Oh, I see.

Mr. Havrot: They have received assistance—

Mr. Laughren: As long as they get help.

Mr. Havrot: —under the Ontario mineral exploration program.

Mr. Laughren: Which is taxpayers' money.

Mr. Havrot: Well, taxpayers' money. They get it back in the taxes paid by the company.

Mr. Laughren: That is fair. I was just making the point.

Mr. Havrot: It swirls around.

Mr. Laughren: Is that right, Eddie?

Mr. Havrot: I do not know why you are picking on me to make the point. Do you not have anything better to do this morning?

Mr. Laughren: That is very true.

Mr. Chairman: We have that point out of the way.

Mr. Laughren: How about crossing the floor?

Mr. Havrot: Pardon?

Mr. Laughren: Nothing.

Mr. Stokes: Where to?

Mr. Laughren: "Where to" is a good point. That was not an overture.

Mr. Havrot: It is on the record. I am not saying anything.

Mr. Laughren: I meant to the Liberals.

Mr. Havrot: It is too late now to explain yourself; you are committed.

Mr. Laughren: I thought it was an even trade.

Mr. Havrot: When are you crossing the floor, Floyd, or are you just making a lateral move?

Hon. Mr. Pope: We have recently completed a project aimed at helping us to acquire an up-to-date geoscientific data base in northeastern Ontario. Last week, we released the results of an airborne electromagnetic and magnetic survey of the Black River-Matheson area in northern Ontario. The study was released simultaneously in Toronto, Kirkland Lake, Timmins and Matheson. Funding for this initiative came jointly from my ministry and the Ministry of Northern Affairs.

I have already referred to the exploration activity at Hemlo. Since 1981, when the potential for significant gold deposits in north central Ontario became a certainty, the name Hemlo has become almost a household word throughout the province. As a result of our geological survey programs, we were ready with the up-to-date maps and information which were needed for the early exploration at Hemlo.

Today, Hemlo has become the source of the largest gold staking rush in this province's history. Reserve estimates at Hemlo now stand at 69 million metric tons of proven ore, with a grade of about eight grams of gold per ton. The three new mines under development are expected to come on stream by the mid-1980s. Together, they promise to double Ontario's gold production, producing 15 to 19 tons of gold a year.

During construction, employment at these three projects will be almost 2,000. As well, at least \$500 million will be spent at Hemlo by the private sector to bring the known deposits into production. This should translate into some 700 permanent direct jobs.

There is more happening at Hemlo. Milling at the Golden Giant Mine, owned by Noranda, Golden Sceptre and Goliath Gold, is scheduled to begin early next year. Shaft sinking began last fall. At the property owned jointly by Teck Corp. and International Corona Resources, shaft sinking began this spring. Mill production is slated to begin in July 1985.

At the Williams property, owned by Lac Minerals, the ground has been cleared in preparation for construction, and shaft excavations and the pouring of the shaft collar were completed last week.

Elsewhere, we have seen some real growth in the expansion of several existing mines. We have

seen a \$30-million expansion of the Macassa mine and a \$92-million expansion of the Dome mine at Timmins. When completed in mid-1985, Macassa will have the deepest shaft in the western hemisphere. Three other existing mines underwent expansion last year: the Renabie mine at Missanabie, the Dickenson mine at Red Lake and the Goldlund mine near Sioux Lookout.

We see the real potential of our mining sector in other new mine development—in the new McBean open pit gold mine in the Kirkland Lake area and in the Aquarius project near Timmins. The base metals operation at Kidd Creek has become the largest employer in Timmins with 2,825 jobs created.

At Detour Lake, one of Canada's largest tonnage gold mining operations opened last fall. Full production of 2,500 metric tons a day was reached in October, with the first gold bar poured on September 29. By the end of December, a total of 303,500 metric tons of ore had been mined and milled.

Furthermore, a \$110-million expansion will increase the mill capacity at Detour Lake to 4,000 metric tons a day. Shaft sinking is expected to begin some time this summer. The mine is expected to employ 500 people on a permanent basis by the time the expansion is completed and underground mining begins.

The exceptionally high level of claim staking, the development of new techniques, and the impressive amount of exploration and development activity augurs extremely well for the potential of our mineral exploration and development sector. All in all, these new developments present a very promising and positive picture.

We have supplemented these significant developments in the field with some legislative changes. In November 1983 we introduced a series of changes to our provincial Mining Act. As I mentioned earlier, the Mining Act changes illustrate our commitment to public participation and resource management.

Mr. Stokes: Yes, where are they?

Hon. Mr. Pope: Where are what?

Mr. Stokes: Where are the changes in the Mining Act?

Hon. Mr. Pope: Talk to Floyd. He has been briefed on it.

Mr. Stokes: When are you going to bring them in?

Hon. Mr. Pope: Eventually.

Mr. McNeil: In the fullness of time.

Hon. Mr. Pope: In the fullness of time.

Mr. J. A. Reed: It is a majority government phrase, "In the fullness of time."

Hon. Mr. Pope: It is a great phrase. It has worked.

Mr. Havrot: The act has worked for 78 years. What is the rush?

Hon. Mr. Pope: The new Mining Act, Bill 129, was drafted after more than a decade of planning.

Mr. Laughren: It was not me who introduced it. It was him.

Hon. Mr. Pope: What do you mean, I should not have introduced it?

Mr. Laughren: I said do not talk to me, you were the one who introduced it, not me.

Hon. Mr. Pope: I am not complaining.

Mr. Laughren: I did not say you should not have introduced it.

Hon. Mr. Pope: Okay, I was just asking.

Mr. Laughren: The only question might be why you introduced it if you are not bringing it in, not proceeding with it.

Hon. Mr. Pope: I did not say I was not bringing it in.

Mr. Laughren: You are not proceeding with it this spring.

Mr. J. A. Reed: Was it just a trial balloon? Is that what it was?

Hon. Mr. Pope: Talk to your leader.

Mr. J. A. Reed: What do you mean, my leader?

Mr. Laughren: He never does anything until he gets his marching orders.

Mr. J. A. Reed: He does not have the power to introduce the bill.

Hon. Mr. Pope: He is doing his share of consulting, too. It is all important. Everyone has the opportunity—

Mr. Laughren: Did he consult on that crossing the floor yesterday? Was that a negotiated deal? And who won?

Mr. J. A. Reed: That is the question.

Mr. Chairman: I do not think that falls under these estimates.

Interjection.

Hon. Mr. Pope: It still hurts.

The new Mining Act, Bill 129, was drafted after more than a decade of planning and consultation with the mining industry. Essentially, it modernizes our current Mining Act of 1906, a piece of legislation that has served us well but which needs updating.

The bill was given first reading last fall. At the same time, we issued an invitation to the industry to respond to our proposals. Two thousand copies of Bill 129 were circulated and a review committee set up to monitor responses to the legislation. To date we have received some 60 responses.

Since the bill died on the order paper at the end of the year the committee has been working at reviewing some of the major ideas put forward in the responses we have received. We are in the process of preparing spreadsheets which outline the 12 sections of the act and the industry response and comments to each section, which the critics will receive.

This legislation comes at an important time in the history of mining in this province. The changes will enable us to take full advantage of the boom in exploration we are currently experiencing. The proposed legislation better reflects the needs of the mining industry for the 1980s and it promises to streamline the administrative and regulatory activities of government. It also takes into account recent technical advances made in mineral exploration and technology.

The first change provides for a lifetime prospector's licence. This would ensure that claims would no longer be lost through neglect or failure to renew a licence. The sole requirement for maintaining a claim in good standing will be the performance of assessment work. This will also simplify administrative work for my ministry.

The second change will reduce the cost of staking by permitting staking of up to 256 hectares, about one square mile, in a single block. This will simplify the acquisition of mining lands.

Under the new Mining Act, when assessment work is to be carried out on surface rights that are privately owned, the surface rights' owner will be given 30 days' notice as to the intent of the explorationist.

The new act also provides that the provincial cabinet will no longer need to approve exploratory licences for areas of less than 26,000 hectares or 100 square miles. This, again, will simplify administration and speed up the granting of licences to the industry.

Cabinet will continue to approve all exploratory licences of occupation in areas greater than 26,000 hectares and in special cases. As you know, such special cases are rare and are only granted when the ministry receives proposals that are not covered by our policy guidelines. When

such special cases do come along, they can have a significant impact on the local industry.

12:10 p.m.

In a recent example, cabinet approved a three-year licence for the Canadian Nickel Co. Ltd. to perform deep drilling in a large area northeast of Sudbury. The company is spending at least \$1.5 million on this work, which is being performed in an attempt to obtain information that would lead to the discovery of a new ore body in the area.

The basis for measuring assessment work is also to be changed from the current man-day basis to a dollar basis. The legislation also attempts to clarify the relationship between holders of mining rights and the holders of surface rights. It defines the rights of access to perform assessment work.

The act proposes to expand the authority of the mining recorder in administrative matters formerly handled by the mining and lands commissioner. Under the new act, the mining commissioner would concentrate on playing a judicial role relating to hearings, vesting orders and the like.

The legislation also proposes to end the practice of publishing tax arrears. This is meant to combat the tendency of speculators to take control of mining rights by negotiating with delinquent owners. It should allow more of those lands to revert to the crown so they can be made available for mineral exploration.

Essentially, these changes fine-tune the existing legislation. There is one important change in the proposed legislation that might be deemed controversial by some in the industry. We reserve the right of the crown to permit other surface uses on all mining lands, as long as the uses do not conflict with mining operations. The change is simply an expansion of the principle which is currently applied in the case of timber, gravel and peat. It reflects our continuing commitment to the multiple use of our resources.

Provision has also been made in the new Mining Act for restricting the use of surface rights or potentially unsafe, inactive mines. We are confident that the new mining legislation will be put into place in the near future and we are encouraged by the continuing input of the industry.

For the most part, the industry has welcomed the changes as part and parcel of modernizing our approach to the development of Ontario's mineral wealth. The entire process of drafting the new legislation reflects our increasing shift to de-

veloping co-operative rather than competitive relationships among our resource users.

In the past couple of years, we have made a number of improvements in our approach to forest firefighting. Our accomplishments in this area were recently recognized by the Canadian International Development Agency.

We are currently negotiating with CIDA to act as principal contractor on an important fire management project in China. If negotiations prove successful, I expect my ministry to act as principle contractor for the project. We hope to sign a formal agreement in the next few weeks.

China needs our assistance. Every year, 30 times as much forest area is destroyed by fire in China than in Canada. The CIDA proposal being negotiated is the model forest fire management project in the boreal forest of a province in northeast China.

Ontario will contribute some staff time to train the Chinese in the use of modern firefighting technology. Ottawa will contribute all other associated costs. Training will take place both in Ontario and at the project site in China. This type of international recognition reflects favourably on the kind of professional skills and technology we have been able to develop in our firefighting units.

We are continuing to improve the technology and the use of resources allotted to forest fire fighting in Ontario. In April of this year, the ministry introduced the new centralized system of fire management which co-ordinates fire prevention, detection and control efforts through regional fire centres.

The lightning locator system, which has been installed in the northern part of our province over four years, has been modified. All of the data from the system are transmitted to the provincial fire centre over a province-wide network. The provincial centre and regional fire centres have immediate access to information, which helps them predict fire occurrence, plan detection patrols and assign fire control forces to areas of expected need.

In March of this year, I signed an agreement with Ottawa under which Ontario will acquire seven more CL-215 aircraft, in addition to the two we now operate. These additions to our fleet will come into service in stages between now and 1988.

Ontario will pay for three of the new water bombers and Ottawa will pay for four. They will replace many of the 16 ageing Otter aircraft currently used for water bombing and general transport, and the six Second World War vintage

Canso aircraft we hire annually for water bombing.

This fiscal year, we plan to dispose of three Otter and two Turbo Beaver aircraft as part of a streamlining process planned for our air fleet over the next four years. This will give us a more modern, albeit smaller, air fleet—about 15 per cent smaller. In the future, chartered or leased aircraft will continue to provide about two thirds of our flying needs during the fire season.

A newly purchased hangar at Timmins will house the fire and communications centre and equipment cache for the region. This will make the firefighting operation in that part of Ontario much more efficient. This facility will also accommodate the Ministry of Health's air ambulance service at Timmins and the aircraft used by the Hudson Bay and James Bay patrols of the Ontario Provincial Police.

Historically, many native people have been hired as fire crew members, extra firefighters, and crew leaders. They have always performed well and we will continue to use them. Last year, a total of 41 native people served on our fire crews, 10 of them as crew leaders. In some areas, we are preparing to expand special arrangements to equip and train native firefighters.

Early indications that 1984 might be a challenging year for forest fires seem to have been borne out to date. Temperatures well above normal, low precipitation, and high winds combined to produce 527 fires in Ontario by May 22. This compares to a norm for that date of about 440 fires. This past weekend, high winds combined with extreme burning conditions resulted in a serious outbreak of 15 forest fires in the Thunder Bay area.

Because of the severe conditions, two of the fires spread quickly and reached sizes of 5,000 and 6,000 acres. The other fires were smaller but posed a serious threat to life, property, and forest values in the area. This situation has now stabilized and all the fires are under control; however, we can expect this kind of fire occurrence throughout the remainder of May and in June until normal rainfall and weather patterns reduce the fire hazard in northwestern Ontario.

We are prepared for the 1984 fire season with 170 five-member fire crews, two CL-215s, six Canso and five Twin Otter water bombers, 14 contract helicopters, 19 contract detection aircraft and good supplies of ground fire-suppression equipment.

Ontario's forest industry provides direct employment for 80,000 people. In northern Ontario, dozens of communities are totally de-

pendent on forestry. The industry in Ontario contributed \$2.6 billion in revenue from exports last year.

My ministry's total forest management budget in 1984-85 is \$162.6 million. This compares with a forest management budget of \$99 million in 1981-82. In this fiscal year, we will produce 150 million seedlings in Ontario, compared with 60 million trees cut.

In its day-to-day operations, our forestry sector is a good example of how resources can be managed through co-operation and a sharing of responsibility. It is a good example of how private industry and government can profit by working together, how we can assume mutual responsibility for the continued good health of our natural resources. It is an excellent example of how government can achieve long-term resource goals from negotiation and partnership.

We are proud of the kind of co-operation we have been able to achieve in the forestry area, especially in our forest management agreement program.

Without doubt, the FMA program is the most important development in forestry in Ontario in recent years. Ontario's commitment to this program is evident. Annual funding to the FMA program has increased almost 20-fold since 1980, the first year that FMAs were in place. It rose from just under \$3 million in 1980 to a projected \$54 million in 1984.

There are now 21 forest management agreements in place, covering an area of more than 100,000 square kilometres. This year so far, four agreements have been signed, one with Dubreuil Brothers Ltd., of Dubreuilville, in February, and three in April with Boise Cascade of Canada Ltd., the largest employer in our northwestern region.

12:20 p.m.

By 1985, we intend to have some 30 forest management agreements in place, covering most of the forest operations on currently licensed crown land in Ontario. Spending on the program by that time should be up to \$90 million, almost double what it is now.

By the early 1990s, agreement holders should be conducting one half to three quarters of all regeneration work in Ontario. The companies agree to accept responsibility for regeneration and other management practices as spelled out in each agreement. If they fail to comply, their harvest rates are reduced accordingly.

Industry also undertakes a substantial portion of the costs of regeneration. The forest management agreement program guarantees a continu-

ous supply of forest products by ensuring our forests are harvested and regenerated on a sustained yield basis. My ministry funds 60 per cent of the total silvicultural cost of each FMA with help from the Board of Industrial Leadership and Development; the rest of the money comes from industry. Our FMA program plays a major role in our efforts to regenerate our forests.

Mr. Laughren: Are there no details on that 60 per cent?

Hon. Mr. Pope: Well, ask.

Mr. Laughren: I just did.

Mr. Stokes: How does that fit in with stumpage fees?

Hon. Mr. Pope: It is an add on.

Mr. Stokes: Chuck Carter is not happy with it.

Hon. Mr. Pope: You see him more than I do.

Mr. Laughren: That is all right. Ken Greaves is very happy with it.

Hon. Mr. Pope: Is he? Mo McKay is not. Two for one.

Mr. Laughren: You voted against two for one.

Hon. Mr. Pope: No, I did not. We are doing more than that now—two and a half for one.

Mr. Laughren: That is not what I said.

Hon. Mr. Pope: Yes, I voted in favour of two and a half for one.

Mr. Laughren: Why did you vote against it?

Hon. Mr. Pope: Not two for one. Too limiting. Two and a half for one is better. I know you support that.

Mr. Laughren: Why would you not support statutory sustained yield?

Hon. Mr. Pope: Because two for one is too limiting.

Mr. Laughren: That is not my point.

Hon. Mr. Pope: You have very limited horizons.

Mr. Laughren: Why did you not support statutory requirements for sustained yield?

Hon. Mr. Pope: You have very limited horizons in this whole issue.

Mr. Laughren: Why would you not support that?

Hon. Mr. Pope: You should support us. You should stand up and say we are doing a great job—150 million seedlings.

Mr. Laughren: Every objective observer says the same thing; you are screwing it up and making a mess of it.

Hon. Mr. Pope: Objective observer? Name one.

Mr. Laughren: I could name more than one.

Hon. Mr. Pope: Okay.

Mr. Laughren: Do you want the names now?

Hon. Mr. Pope: Yes, Ken Hearnden—dean of forestry, Lakehead University, an objective observer.

Mr. Laughren: Mr. Hearnden, Mr. Marek and the Science Council of Canada.

Hon. Mr. Pope: Right, the Science Council of Canada.

Mr. Laughren: Mr. Armson in his report.

Hon. Mr. Pope: What is that, the 1976 report?

Mr. Laughren: Yes.

Hon. Mr. Pope: How about what we have done since then?

Mr. Laughren: How has 1976 changed the standard of forests?

Hon. Mr. Pope: One hundred and fifty million seedlings planted this year.

Mr. Laughren: We are not questioning the number of seedlings that have been planted.

Hon. Mr. Pope: Okay, thank you very much.

Mr. Laughren: I have never questioned that number.

Hon. Mr. Pope: I am glad you admit that things are improving then.

Mr. Laughren: No, you are planting more trees. We are talking about stocking levels.

You plant 500 million and if they do not give you the desired stocking levels, what have you proved?

Hon. Mr. Pope: You mean planting more trees is not an improvement?

Mr. Laughren: I just said it was, would you listen?

Hon. Mr. Pope: Okay, I am glad you admit it.

Mr. Laughren: I am talking about the stocking levels. Why will you not deal with that?

Hon. Mr. Pope: I am glad you admit that 150 million seedlings is an improvement. That is great to hear. That is quite a conversion you have made in the past six months.

Mr. Laughren: Why do you avoid the stocking level question? Answer the question.

Hon. Mr. Pope: You would not even admit that we were planting two for one last estimates, would you?

Mr. Laughren: I never questioned the number of trees you were planting.

Hon. Mr. Pope: You did not?

Mr. Laughren: No.

Hon. Mr. Pope: Oh my.

The Vice-Chairman: Okay, let us get back to the business at hand.

Hon. Mr. Pope: I should quote some of your statements.

Mr. Laughren: We are questioning the stocking levels.

Mr. J. A. Reed: We could ask a question about the survivability.

Hon. Mr. Pope: Eighty-five per cent. He has the numbers.

Mr. Laughren: I have your numbers, that is all, and no substantiation.

Hon. Mr. Pope: That is what it is.

Mr. Laughren: We are getting a little tired of that, you know.

Hon. Mr. Pope: Why? I am the minister responsible to you. You asked me what the survival rate is; I told you what the survival rate is.

Mr. Laughren: Yes, off the top of your head.

Hon. Mr. Pope: Off the top of my head, what kind of nonsense is that?

Mr. Laughren: You never did substantiate any of those numbers.

Hon. Mr. Pope: I just told you that was the survival rate.

Mr. Havrot: Send him out in the field.

Mr. Laughren: I have been there, that is why I do not believe him.

Hon. Mr. Pope: He stays away from north-eastern Ontario.

Mr. Laughren: I do not. That is why I know you are wrong. I have been there.

Hon. Mr. Pope: I heard what the union executive told you in Iroquois Falls.

Mr. Laughren: What?

Hon. Mr. Pope: How can you say there is no reforestation initiative under way when there are tree nurseries all over the place?

Mr. Laughren: I do not recall saying that.

Hon. Mr. Pope: And your leader said, "Leave that to me." End of quote.

Mr. Laughren: You are not even talking sense.

Hon. Mr. Pope: Our FMA program plays a major role in our efforts to regenerate our forests. During 1982-83, FMA holders carried out silviculture operations on 46,000 hectares of

forest land in Ontario and built 650 kilometres of access roads. This marks a dramatic increase in forest regeneration in this province. The agreements make those in the forest industry directly responsible for the resource from which they make their living.

Through these very important initiatives, we have fundamentally changed the forest industry's understanding of its role regarding the forest resource—

Mr. Laughren: What was wrong with the understanding in the past 40 years?

Hon. Mr. Pope: Try 38 years. My understanding is 38 years.

Mr. Laughren: You are modest. Are you saying since you came on the scene it has all changed?

Hon. Mr. Pope: No. You were asking me about my recollection of forestry over the last 40 years. I said try 38.

Mr. Laughren: Your recollection. I said if it has not so fundamentally changed, what was wrong with it during the 40 years of your government's regime?

Hon. Mr. Pope: You said "your," not "your government's." Read Hansard.

Clearly, industry is now involved in an all-out effort to make the most efficient use of our mature forests. Clearly, the industry is committed to wise and effective forest management, to achieving sustained yield without sacrificing other resource values. Clearly, the industry accepts this. It must accept this to ensure its own long-term survival.

Industry has modernized its techniques. It has made massive financial investments to become more efficient and it has spent a lot of money to meet environmental requirements that we have set down. It has built a relationship with government that enables its leaders to sit down with experts from the province and from Ottawa to discuss ways and means to meet their common resource goals. I believe we have made significant strides towards achieving the goal of greater public awareness of and involvement in forest management.

For example, in 1979 we introduced requirements to ensure that both the five-year operating plans and the 20-year management plans of our forest management agreements are subject to a thorough public review before they receive approval. That should be 1981, by the way, not 1979. We have now extended this requirement to the five-year and 20-year plans for all crown lands. We are also keeping local residents and

land owners informed of proposed spraying activities.

I have 10 pages to go. Is it okay if I finish?

Mr. Stokes: Speed it up.

Hon. Mr. Pope: Okay. We recognize that planting trees is not enough. We must also ensure their survival by controlling weeds and, where necessary, insects through careful protection programs. During the course of our public reviews, many of the ministry's district and regional offices have conducted open houses on forest management to better apprise the people of this province about their forest heritage. The ministry also produces many displays, exhibits and special publications which are widely distributed at sportsmen's shows, fairs and agricultural shows, provincial parks, private campgrounds and other centres. They all have one aim in mind—to raise the public's awareness about the importance of forest management.

Consider our private land forest extension work, our provincial forest fire prevention campaign, our incorporation of modified management areas and the principles of multiple use into Ontario's district land use guidelines. All these initiatives are firmly based on the same principle. That is simply that Ontario's crown forests must receive the sound stewardship and careful management that are in the best interest of their owners, all the people of Ontario.

Private entrepreneurs have also helped with our reforestation efforts. My ministry already has 20 private growers under contract, many of them in one-industry communities. Ten of these are in the northern region and four in the northwestern region. Last year the production from those growers provided us with 25 million trees for planting. This year we will plant 63 million trees produced by these 20 growers.

My ministry annually buys up all container stock produced by the private growers and assists the growers with capital assistance grants. Last year the grant cost was \$3.9 million, some of which was provided by the Board of Industrial Leadership and Development. These private growers are expanding their efforts and providing jobs in the process.

In Cochrane, Blazeckia Greenhouses has expanded its production by one million trees and will be growing 1.6 million trees this year. In Iroquois Falls, Northern Greenhouse Farms has expanded its operations by three million trees to meet our demand and will grow 6.5 million trees this year. In Timmins, Lafleur Gardens has also expanded by three million trees and will also grow 6.5 million.

Also, last fall it was announced that a major greenhouse complex to be run by the private sector will be built at Kapuskasing this year. Construction of the new—

Mr. Laughren: Is the ministry building it or the private sector?

Hon. Mr. Pope: Private. The bids were on both operation cost and construction cost.

Mr. Laughren: So they are paying for it?

Hon. Mr. Pope: Yes. All the private growers got was a deposit on the contract to help them at the front end of the financing for part of the construction. It is not a permanent grant of money. It is a deposit on the five-and-five contract.

12:30 p.m.

Construction of the new greenhouse should be completed this fall and the facility will be in production by January 1985. It will employ four people on a full-time basis. The combined output of all the private and public facilities, both bare root and container, will allow us to plant more than 150 million seedlings this year. Since 10 per cent of Ontario's total productive forest land is privately owned, we are also trying to involve private land owners in our reforestation projects. Last year we invited members of the public to attend open forums to discuss private land forestry based on a discussion paper entitled Private Land Forests: A Public Resource. We are working now towards a new policy for private forests in this province.

Through our Woodlands Improvement Act program, we are already assisting more than 10,000 land owners to develop or to enhance woodlots on their property. Through these efforts and more, we are ensuring that Ontario has an ample supply of trees for the future. We are also taking steps to share our forest management costs more fairly with the forest industry. We have proposed to increase both crown dues on harvested timber and the charges for the use of crown land paid by Ontario's forest companies. Both these initiatives will help bring—

Mr. J. A. Reed: And 1952 economics still prevail.

Hon. Mr. Pope: I think if you examine Hansard, you will find a reference to utilization and wasteful practices in our discussion in the Legislature recently.

Mr. J. A. Reed: Where is that report?

Hon. Mr. Pope: In the fullness of time.

Mr. J. A. Reed: You did not even table it.

Hon. Mr. Pope: Both these initiatives will help bring government revenues more into line with the costs of forest management.

Crown revenues for harvested timber have remained stable over the past few years at about \$50 million a year, but the government's costs of managing the forests have doubled in real terms to an estimated \$187 million in 1984. So we recently advised the province's forest companies that they may soon be paying more towards the management of our forest resources in Ontario.

I would like briefly to summarize the changes. We are proposing that crown timber dues and area charges increase 25 per cent retroactive to April 1, 1984. In addition, we are proposing to initiate annual increases in crown timber dues. The increases would be based on a sliding scale which is double-indexed to the inflation rate of forest product prices. We believe it is both fair and reasonable for the industry to share the increased costs of managing the resource.

I want to stress that these proposed increases come after considerable consultation with the industry and that they are designed to help promote a system whereby forest management revenues track expenditures. I would also note that our proposed changes would make the crown timber dues system doubly responsive to the forest products market. As well, the changes would provide the government with more flexibility when assessing timber charges.

I will give you an example. Under the new dues schedule, a five per cent increase in forest product prices in a given year would see a corresponding increase in crown dues of 10 per cent. A five per cent decrease in the price of forest product prices, however, would lead to a corresponding 10 per cent reduction in dues.

In addition to the proposed changes I have described, my ministry is currently working with the industry to develop a second phase of changes to the crown timber dues structure. In this second phase, we anticipate including government incentives for those companies that demonstrate better and more efficient utilization of the forest. I have discussed all these proposed changes with the chief executives of most forest companies.

We are also interested in helping our forestry industry maintain its competitive position in the marketplace, so that the tens of thousands of jobs in this province that are dependent on the viability of our forest companies are not threatened.

Quite recently, some United States competitors of our lumber manufacturers called for countervailing tariffs to offset what they consid-

ered were subsidies from our federal and provincial governments. When the United States Commerce Department considered imposing such tariffs, my ministry worked with industry and our provincial counterparts across Canada to rebut the United States industry's arguments. I travelled to Washington myself, once in the company of my counterparts from the Quebec and British Columbia governments.

The United States government ruled last fall that tariffs were not justified, and the problem seems to have been solved for the time being. However, there remain some rumblings of discontent among the US lumber firms, particularly in the southeastern United States. New proposals have recently been floated which would limit Canadian imports, none of which have been formally proposed by the southeast lumbermen's association.

There is also the possibility that major new trade legislation in Washington in 1985 or 1986 may contain provisions that would affect our lumber trade. For the time being, however, this is all mere shadow-boxing. I am convinced, as are my counterparts in Ottawa and the other provinces, that the imposition of any lumber trade barriers on our forestry industry would be an unfair barrier to trade with the United States. We are prepared to go to bat for the industry in the future if the need arises. For now, however, it appears that the threat has been removed.

When I appeared before you last November, I outlined our efforts to obtain approval for our forest management activities under the provincial Environmental Assessment Act. This includes activities undertaken on crown land, both by the ministry and by private industry working within our forest management agreements.

As I explained at that time, we are seeking what is called a class environmental assessment for all our forest management programs rather than individual assessments for each activity. This, in essence, is approval under the provincial Environmental Assessment Act for our forest management activities. Until we receive that approval, we are operating under an exemption that expires at the end of June. We have asked for an extension to the exemption through to the end of December 1984.

Mr. Laughren: How many extensions have you asked for?

Hon. Mr. Pope: We have put out all our documentation. The interest groups want more time to make some response. We initiated the process. We sent out a proposal for preconsultation before even formally submitting it.

Throughout last fall we held a series of seminars with interested parties to outline our proposals. We are drafting a document that will make certain commitments for forest management to the Ministry of the Environment. Before we do, it is necessary to meet with all interested parties, the forest companies, special interest groups, representatives of federal and provincial government ministries and others, to review the kinds of commitments we are about to make.

Throughout the fall we held meetings and seminars to outline our proposals. We then asked for comments so we could make any necessary revisions. Those comments have all been received and we are incorporating them into a revised document we hope to submit to the Ministry of the Environment before the end of this year. This is a complicated procedure, but it is central to the future of Ontario's forests. It provides a very accurate reflection of this government's commitment to forestry and reforestation and to the preservation of our woodlands for economic, recreational and natural benefits.

Our land use guidelines laid the foundations for a balance between our forest industry and other claims on our forests. I am thinking in particular of the policy set down in the guidelines for the establishment of modified management areas, areas that require special management, including buffers and lake reserves that protect important recreational values in the areas where forest harvesting operations are taking place.

This policy set down in the guidelines consisted of six points. Essentially, it defined modified management areas, pledged to identify them and promised to consult the public as to their identification and the ways they are to be managed. We now plan to take this six-point policy and refine it and expand upon it, to get down to specifics.

Modified management areas are to include no-cut zones, selective harvest zones, or both, in order to protect certain economic, social and recreational features of an area where forest activities are taking place. MMAs will be declared where it is felt we should protect fish and wildlife habitat, scenic areas, recreational and tourism areas. Since the forest industry people will be responsible for implementing MMA plans and since they will be doing so at their own expense, it is important they be fully informed of our plans.

To that end, we have conducted a series of seminars to explain our intentions in implementing our MMA policy. Earlier this month our field

staff met with staff at the Great Lakes Forest Products Ltd. in Dryden to lay down details of our MMA policy as it affects that company. We have offered similar seminars to the Ontario Federation of Anglers and Hunters and to the Northern Ontario Tourist Outfitters Association. Modified management areas will be a key element when we negotiate or renew forest management agreements with various forest companies.

To date, our MMA policy has been a success. We have been able to establish the need for certain protected areas and we have been able to gain the good faith and co-operation of industry by setting down broad principles for management, principles companies can understand and easily adhere to.

Throughout the process, we have emphasized communication among all user groups. It is critical that the dialogue continue between user groups and government, as well as between the forest companies and government. We cannot possibly set down a list of rules and then walk away, hoping they will be understood completely and implemented without further discussion.

This is all part of what I call the new politics of resource management in Ontario. It is a process that involves the co-operation of all interested parties and it involves industry and interest groups, all those who use our natural resources.

We have made a number of important links in our forestry sector. We have signed agreements with private nurseries and woodlot owners to ensure the continued regeneration of our forests. We have signed forest management agreements with forest companies to ensure that wise harvesting and regeneration techniques are employed.

12:40 p.m.

We have committed funds to research in the forestry sector. We have held forest companies responsible for implementing our modified management areas. Through all this and more, we are building co-operation between industry and government, between government and user groups. We are adding to the give and take that must exist if we are to manage our resources in this province with the goodwill so critical to a healthy future.

Mr. Laughren: No problem in forestry? You are talking about everything but problems.

Mr. J. A. Reed: This has been the longest commercial I have heard.

Mr. Havrot: A good one, too.

Mr. Laughren: You wonder why we want some of your people before the committee.

Hon. Mr. Pope: The 1980s promise to be the decade in which all Ontarians from all walks of life become sensitized to all the issues involving their province's natural resources. The people of this province are now considerably more involved in resource planning. They are considerably more involved in the ongoing debate over what we want to achieve with our resources and how we plan to achieve it.

In the past few years we have opened up the channels of communication. We have increased opportunities for Ontarians to speak to us about the kinds of resource decisions they want. Because the resource base in this province is not static, neither is the debate.

It has been my commitment as Minister of Natural Resources to foster a sense of partnership and sharing with all resource users. It remains this ministry's commitment before issuing policy statements, before tabling major new legislation and before drafting long-term resource plans to offer those users a voice.

It has also been our increasing tendency to involve resource users in a tangible way. We want to foster their participation wherever possible in our programs. We want to build bridges with the private sector, with industry, with interest groups and with individual resource users—a good bridge-building program. We have developed programs that give us a chance to work with Ontarians outside of government.

This is a relatively new direction in resource management, but I believe it is a better one, for while government shoulders the ultimate responsibility for our natural resources, it would be foolish indeed for government to act alone in managing those resources. We have found that the best way to illustrate to resource users the depth of our commitment and the weight of this responsibility is to allow them to participate in the carrying out of this important mandate.

We have tried to impress upon each and every member of our vast and varied constituency the kind of balancing act we must perform properly to manage our natural resources. We have asked for their input, their opinions and their ideas. We have also asked for their co-operation and understanding in trying to weave their own interests in with the interests of other resource users.

Finally, in some cases we have asked for their tangible support. The partnership idea in resource management is working, but if this partnership is to continue along its successful path, we need more than a simple agreement in

principle about sharing and support. We need to work together to get the job done.

Thank you for staying.

Mr. McNeil: An excellent statement.

Mr. Laughren: May I ask the minister, between now and tomorrow night, to think about having some ministry people come before the committee?

The Vice-Chairman: The question is on record. I believe we are already about 12 to 13 minutes late. Shall we move adjournment?

Mr. J. A. Reed: Just before we do that, that is an important request we made of the minister.

The Vice-Chairman: It is on the record.

Mr. J. A. Reed: I think it is only fair that the minister give us some sort of commitment that he will take it under due consideration, so that when we come back and deliver our opening statements tomorrow night, he will be able at least to indicate to us when his senior people will be available, if he chooses to bring them here. We do not want them sitting here doing nothing, but we certainly feel their presence is essential to get through these estimates properly.

The Vice-Chairman: I think the question is duly recorded and addressed. This meeting stands adjourned until eight o'clock tomorrow evening.

The committee adjourned at 12:43 p.m.

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Publications
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Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Estimates, Ministry of Natural Resources

Fourth Session, 32nd Parliament

Thursday, May 24, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, May 24, 1984

The committee met at 8:05 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

The Acting Chairman (Mr. Stokes): Can we bring this meeting to order? I understand Mr. Reed has the floor for his opening comments.

Mr. J. A. Reed: Mr. Chairman, I would like to remind the minister that at Wednesday's meeting, on two occasions, at the outset of the meeting and at the close of the meeting, both I and my colleague from the third party asked the minister if he would please consider bringing certain specific senior members of his ministry to these estimates.

We asked him at the beginning of the meeting; and then afterwards, since he seemed to indicate a refusal, we did ask him once again, in a very conciliatory way, if he would reconsider that decision.

At the beginning of this opening statement, I would put the question once again to the minister on my own behalf; I am sorry that Mr. Laughren is not able to be here until about 8:30. I would ask the minister if he has reconsidered, and if he has a definite answer for us at the beginning of this session of the estimates.

Hon. Mr. Pope: You asked me to reconsider. I presume that you wanted me to do more than reconsider myself.

I did talk to my colleagues, and to the House leader, and was advised that what is happening here is not unusual either in terms of standing committee procedure or in terms of estimates procedure. According to our House leader, it is within the discretion of the minister as to how he prefers to answer questions that are raised in the estimates committee of his ministry.

I asked about others, and what their practice has been in the past. There has been a wide range of practices in the past. I am aware of the fact, from the House leader, that the Premier (Mr. Davis) and former ministers, in other years, have not attended with officials.

I am also aware that others among my colleagues have attended with officials from time to time as certain subjects arose in the estimates on an orderly basis. Others among my colleagues have had them attend, but not available to answer

questions, just to give advice to the minister in answering questions.

Other colleagues have called upon staff to answer certain specific factual questions, while the fourth group has let staff voice personal opinions on policy decisions that have been made in the ministry.

Since I became minister, rightly or wrongly, it has been my feeling that changes of direction had to be made, many of which I suspect are supported by individual members of your respective parties, if not by the entire parties. These changes of direction are, as usual, not without controversy and not without dissent, and dissent takes place in debates within the ministry.

Ultimately, a final decision has to be made by the minister in consultation with a broader range of staff, including the deputy minister if possible.

There is no doubt that over the past three years we have changed a number of policy directions in the ministry. I have had a hand in changing those policy directions and am responsible for them. No doubt, as well, there is always a counter point of view within the ministry, and legitimately so, with respect to these decisions.

The fact of the matter is that the policy decisions I have made are my responsibility to explain or justify to this committee. That is what I want to do.

I have to say that I did legitimately review my position with the House leader and with other cabinet ministers, and came to the conclusion that I could not alter the position I have taken. I did, as I say, legitimately review my point of view with others to see if it were so totally unusual just to be contrary to normal practice.

Mr. J. A. Reed: First of all, I cannot let the moment pass without making the comment that in my years—which I know are fewer than some of those sitting on this committee and more than some of the others sitting on this committee—I do not remember a set of estimates or a committee I have sat in on where accommodation was not made, and not made willingly, to bring members of staff.

As a matter of fact, I can recall in times past, in a former capacity as energy critic, where the Minister of Energy actually sat down prior to estimates and said, "Who do you want, and what subject areas do you want to zero in on?" The

critics of both opposition parties would outline the particular subject areas where they felt it was important that specific staff members attend.

The minister, albeit of the day, as humble as he was, understood that he did not have full possession of all the details of every fact of what went on in his ministry. He would not be able to answer specifically why certain moneys were spent, how they were spent, what cost overruns there might have been, or the justification for the spending of the money. That is what these estimates are really all about.

Inasmuch as they tend to be presented to the Legislature after the fact, they are still one of the only means that all of us have, whether we are on the government side or the opposition side, of properly scrutinizing exactly what happens.

In spite of the fact that there may be precedents which go back to the days of the pre-1975 era, and with which I am not familiar, where ministers did not show up with members of staff, it has been the common practice since that particular time for this government to be as open and as available as possible.

It is rather disturbing to me to see what has taken place in the Ministry of Natural Resources when looking in from the outside. If any of you choose to phone the ministry and attempt to obtain some factual information—and I do not mean an opinion about something—we are told politely that every request must be sent through the deputy's office.

Maybe that is not the case with the government members; maybe they get dispensation on this. Certainly, if you try from the point of view of the opposition, that is precisely what has been happening. We have been told that the orders have come down that information is only to come through the office of the deputy minister.

I can obviously see that, inasmuch as we are all equal some of us are more equal than others.

Mr. Hodgson: We never had a minister like this.

Mr. J. A. Reed: No, that is true. We never did.

As a matter of fact, if you want to talk about the dissemination of information, we have had questions in Orders and Notices since March 23—questions which I am going to read into the record—which have not been answered yet, either.

What it leads to, however, is the fact that this is the third set of estimates where the minister has chosen not to bring in senior civil servants. He is the only minister at the present time, or in the last eight years, who has chosen this route.

Hon. Mr. Pope: In committee, not in the House.

Mr. J. A. Reed: Into estimates, in committee. One has to ask what it is the minister is choosing to hide.

If he feels that he is the sole repository of all things bright and beautiful in his ministry, I offer him wholehearted congratulations, because I have to go on record as saying that I certainly would not pretend to have the capacity to absorb all of the issues that the Ministry of Natural Resources has to deal with.

What this means is that a minister must rely not only on his deputy but on his assistant deputies, and on the people who head up the various divisions of what is the largest ministry in the province when it comes to administration.

Admittedly, it is not the largest in expenditure, being down on the list behind things like health care, education and so forth. In terms of overall administration and diversity, however, it is the largest ministry. It is so large, as a matter of fact, that our party has recommended, on a number of occasions over the years, that a ministry of mines be created as a separate entity. I can see where the member, the member for Timiskaming (Mr. Havrot)—

Mr. Hodgson: It was you who has been recommending that there should be fewer ministries rather than more.

Mr. Havrot: It is an anomalous situation.

Mr. J. A. Reed: I will tell you, we consider mining so important that it is one of the anomalies, to coin a phrase.

Mr. Watson: Do you want to rerun the tape player?

Mr. J. A. Reed: I did not know I said that, but I stand by it 100 per cent. This is a real concern.

When a ministry is spending \$400 million or whatever dollars a year, give or take a few of those "What's a million?" questions we have become so easily familiar with now, it seems to me the citizens of Ontario—most of whom come into direct contact with the administration of the Ministry of Natural Resources, more often, I would suggest, than with any other ministry—have a right to know how that money is spent and how those senior people are functioning. I submit to the chair that it cannot be successfully carried on if the minister continues to crawl into his shell.

I could be wrong on this, but he tends to demonstrate to us by this action that he does not have confidence in his own people, that he is somehow fearful—

Interjections.

Mr. J. A. Reed: Since I have the floor—

Mr. Chairman: Let Mr. Reed continue.

Mr. J. A. Reed: —that he is somehow fearful that, if he were to let his senior people come in here, they might say some things that he would find embarrassing. I find that of some great concern. I say to the minister, with the greatest of respect, that to not put one's faith in one's lieutenants is not the mark of a good executive.

Mr. Watson: Is that "lieutenant" or "lieutenant"? I never could understand that.

8:20 p.m.

Mr. J. A. Reed: If you come from the part of Ontario I come from, it is "lieutenants."

Mr. Chairman: It is the British tradition.

Mr. J. A. Reed: It is whatever tradition.

However, I do express that concern, and I think that—

Interjections.

Mr. Chairman: One at a time, please. Mr. Reed has the floor.

Mr. J. A. Reed: I do not mean to be provocative.

Mr. Chairman: I think that is the problem. You are a little provocative. You are on your opening statement?

Mr. J. A. Reed: Yes. I am trying to deal with it.

Mr. Chairman: I missed the first 10 minutes of the meeting. I am sorry.

Mr. J. A. Reed: This is a problem that has been building up over three sessions of estimates and I think we have to deal with it. We have to ask, as citizens of the province, what it is the minister is hiding.

The minister, I am sure, will come and indignantly say to me: "We are not hiding anything. We have nothing to hide."

I say if you have nothing to hide, then do not hide it.

Mr. Watson: Ask me.

Mr. J. A. Reed: Do not hide your light under a bushel. Put it out so everyone can see.

Mr. Watson: Do you want us to bring your researchers in to ask the questions?

Mr. J. A. Reed: Listen, our research department has proved itself to be rather accurate over the last little while.

Mr. Watson: Do you want to bring them in to ask the questions?

Mr. J. A. Reed: I have no problem with my researcher, I will tell you that. You can ask him whatever kinds of questions you want.

I would say to the minister that, in my view, in the 1980s and in modern government, in government that is purporting to be more open than it has supposedly ever been in its history, the example must be shown through these estimates.

I am deeply concerned that there is this drawing into one's shell. You are advising your ministry not to give out any information unless it is funnelled through one particular office. Now we find a certain slowness, if I may be generous, in answering even questions on the order paper.

It seems to me this committee would be, I would hope, most agreeable in changing that, and in helping the minister to see that the modern governmental process demands openness. I would hope the chairman would accept a motion from me that the minister be required to bring into these estimates those people from his ministry that the members of this committee feel important to the passage of these estimates.

I so move, Mr. Chairman.

Mr. Chairman: Mr. Reed, I chaired these estimates last year. Last year, both opposition parties, as I recall, also asked for the same thing, and perhaps even put a motion on the floor to the same end, to require certain members of the staff to be here. There is no standing order I know of that covers just how a minister is expected to reply to questions, as long as he gives sincere answers.

As I recall, Mr. Pope did certainly give answers to virtually all the questions that were asked of him. On several occasions he perhaps said that he did not know and that he would get the answer. Whether or not those answers were forthcoming, I do not know. I cannot tell you that.

I do not think there is any precedent or standing order that would dictate that we have to have staff, any certain numbers of staff at all.

Mr. Stokes: I do not want to interrupt your train of thought or anything, but if you are going to make a ruling as to whether or not the motion is in order or out of order, I would like an opportunity to speak to it before you rule.

Mr. Chairman: That is fair enough. Yes, I should not make a ruling before that. There is a question on the floor and it should be allowed to be debated.

Mr. Stokes: That is the only point I want to make. Carry on, sir.

Mr. Chairman: All right, Mr. Stokes, we will hear you now.

Mr. Stokes: The minister, in response to the opening statement from the member for Halton-Burlington (Mr. J. A. Reed), said that he had taken the suggestion seriously and had discussed it at some length with his colleagues, including the government House leader. He came to the conclusion that there was nothing unusual with what he was doing and he saw no reason to change it.

In his comments, the minister said that it was at the discretion of the minister to carry on his estimates and to give an account of his ministry. It was at the discretion of no one else.

I take umbrage at that statement—and not to be mean or anything. It is just because I feel very strongly about the parliamentary process, whether it is in the House or whether it is in committee. I have tried to demonstrate that in the past. I do not think it is at the sole discretion of any particular minister who happens to be a member of this assembly to indicate how we are going to conduct this set of estimates.

This is a committee of the House. It is an extension of the House. We are carrying on very important business. The minister has come before us asking for \$423 million to conduct the affairs of his ministry during the present fiscal year. This committee deals with a variety of subjects within the resource policy field.

The member for Halton-Burlington is absolutely correct. This minister is the only one I have ever known, in the 16-plus years I have been here, who has decided to come before any committee of the assembly, saying—as he did initially, three years ago—that “The only way I can become more familiar with my ministry is to subject myself to the barbs and inquiries of opposition members, and in that way I will be forced to become more familiar with my ministry.”

I bought that suggestion, because I felt the minister was taking a chance. There are a lot of aspects of his ministry that he is not well informed about. He accepted a challenge, and I thought, “On an experimental basis, let us see how that works.”

I am not taking away from this minister. I think he has obtained perhaps a far better grasp of his ministry in a much shorter time than any of his predecessors with whom I am familiar. What we are attempting to do by way of this motion—and I know the member for Nickel Belt (Mr. Laughren) was of the same opinion as the member for Victoria-Haliburton—

Interjection.

Mr. Stokes: I am sorry, Halton-Burlington; I always did have trouble with those two.

It is not a question of saying to the minister: “We do not think you are competent. We do not think you are prepared to answer all the questions. It is not a question of you mistrusting people within your ministry.”

We have established a pattern in these committees over the years that has worked very well in an informal setting where we have a free exchange. I do not think any member of the committee has tried to take advantage of, or embarrass, anyone among the civil servants.

It was simply an opportunity to get a free exchange of opinion, a dialogue. It was not a question of who was carrying the can for the administration of your ministry, or the policy changes that come about from time to time. That was not it at all.

8:30 p.m.

I happen to think that, when committees work well, it is an opportunity for a free exchange back and forth. I can think of a half-dozen people within your ministry—including your deputy, just recently over from Tourism and Recreation, who had a very profound interest in what was going on in this ministry. So much of what he was attempting in his former ministry was impacted by what went on in this ministry. I am sure that it has manifested itself in the few short weeks that he has been where he is now.

The most important thing, though, is, how do we talk to the director of the mineral resources branch? How do we talk to the assistant deputy minister in northern Ontario? How do we talk to Dr. Martin Walmsley, the science adviser and energy co-ordinator, to find out where he is going?

How do we find out what good things have happened—whether or not we should be supporting you in the dollars you are asking for, and any cogent reasons why we should? How do we talk to Ted Wilson, the director of the office of Indian resource policy in your ministry?

There are some good things happening out there, and we would like an opportunity for a dialogue with them, to even pay tribute to them for the job they are doing.

However, for you, Mr. Chairman, to sit there and say it is entirely at the discretion of the minister as to how we, as a committee, are going to conduct these estimates—I think you are establishing a very dangerous precedent. I think this is the one forum, in all of the work we do, where we get an opportunity to meet the people who are out there making decisions on our

behalf, all of them very hardworking and dedicated people.

To deny us the right to talk to them about things that we happen to be concerned with is establishing a very dangerous precedent. I would just like you, Mr. Chairman, to perhaps not make a decision right away, but to reflect upon how well the committee system works in most instances.

To suggest that a deputy minister, who will not speak unless he is called upon to speak, and having no one else in the room from the ministry—if George McCormack were in the room, I would like to be able to ask him, "What is going on with that particular situation?" He never embarrassed anyone by being given an opportunity to answer.

Whether it is Ted Wilson, someone in charge of research, or someone in charge of the mineral resources branch, what is wrong with that? It works well for every other ministry except this one.

I think it is a dangerous precedent and I think you are taking away something from the committee system in using this format.

Mr. McGuigan: Thank you, Mr. Chairman. I think the previous speaker has outlined this pretty well, philosophically, but I would just like to add a couple of points.

In our parliamentary process, it may be a straight process of raw power, your prerogative to take the stand that you are taking, but if a parliamentary democracy is going to work, you have to give the opposition the right to be heard.

When we ask anything in the Legislature about a particular civil servant, a deputy minister or any of your civil servants, and especially if we attack the civil servant in the Legislature, we are immediately told, "How dare you attack one of my loyal civil servants who is not here to defend himself."

I had the misfortune to do that one time, although I am not particularly sorry for it. The ministry was not yours, minister. However, that is likely the response one gets when a person attacks a deputy minister, or even dares to ask a question about a deputy minister.

I think this is the one opportunity, as has been explained earlier, where deputy ministers and other civil servants can be here and they can defend themselves.

On the specific point that the member for Halton-Burlington asks, "What are you hiding?" I do not think you are hiding a thing. As I read the words you just gave us—I do not have them in front of me, but as I recall them—you said you

were making changes in direction and were willing to back up these decisions.

When I was listening at our last meeting, I certainly felt that you were making some very welcome changes from your opening statement to the standing committee on resources development. I found a great deal that I felt was long overdue, things that we in the opposition have been calling for, and you might find a great deal of support on this side of the House for those things.

If you do not have support among your own people, and you are saying these things alone, it brings to us the question of whether or not you can be successful—one against the world—in achieving these results. If it is such a situation, then it is probably really not fair for you to present that picture, if those are simply your thoughts and not the thoughts of the people whom you have behind you.

I think, with all those feelings in the background, one final pitch would be that the committee here, aside from a few occasions when we get at each other's throats, is a reasonable forum in which to look out for these problems. You put an edge on it that really should not be there. You put an edge on the whole proceeding when you take the stand you are taking now.

It seems to me you would not find any great problems in granting this. As long as you refuse to grant it, you put an edge on the proceedings that does not help the results, either for you or for us. I would, then, respectfully ask you to reconsider your thoughts on this.

Mr. Hodgson: Mr. Stokes has outlined the very well-known parliamentary procedure, perhaps better than anyone of us, although I served three years as Deputy Speaker.

Suppose, as you outlined, the same rules applied in this committee as they do in the Legislature. If this committee were meeting on estimates in the Legislature, you would have the deputy minister and whoever was responsible for certain areas in the ministry. They would be at the front desk, but would not be allowed to answer questions. They would relay a message to the minister if he were not able to answer questions himself.

I cannot see this committee, as a committee on estimates, as being any different. As you said, Jack, the same rules apply. If the minister chooses, and he feels he is knowledgeable enough, not to have that extra backup staff in here, he has his deputy here. If he wants to ask his

deputy a question, I am sure the deputy will supply him with the information.

I cannot see why there have to be five, 10, 15, or 20 people from the ministry all sitting around this room while his estimates are on if he feels he is well versed enough.

I have had dealings with this minister on several occasions regarding problems in my riding. He is sufficiently well versed, and has sufficient control over his ministry, that he is able to answer any questions that the opposition brings before him.

Mr. Stokes: It is a sad commentary on all of the other ministers. Just think about that, Bill. It is a sad commentary on all of the other ministers.

Mr. Hodgson: Oh, I do not know. Those are other ministers. I am talking about this minister specifically. I feel he is sufficiently well versed; he knows what is going on in his ministry. He deserves a hell of a lot of credit for being able to sit here and field the questions the opposition puts to him.

Mr. McGuigan: We might be willing to give him that credit too, Bill.

Mr. Hodgson: You might be. Ask him the questions. If he cannot field them, he does not deserve that credit. I have enough confidence in this young minister that he can field any question that any member of this committee can bring forward.

8:40 p.m.

Mr. Havrot: Thank you, Mr. Chairman. Just as Mr. Stokes mentioned that he had been here for 16 years, I have been here going on over 11 years. These are supposed to be the estimates of the Ministry of Natural Resources, but I can tell you that in those 11-plus years, I have yet to hear anything relating to the dollars and cents of running the ministry. It has always been these opening statements and then criticisms from the opposition parties.

Surely, in the two and three-quarter hours we had in the opening meeting, the minister has given enough information, for heaven's sake. It is all documented in a booklet here, 96 pages of it, to give you a pretty fair idea of what is going on.

The word "estimates" does not mean a thing. No one ever questions the spending habits. You can take last year's speeches of the opposition members and you could almost go verbatim. It is the same with what they said two years ago or 10 years ago.

We hear the same thing every year, so do not give me that malarkey about having all the

support staff here to listen and answer questions. If there were any information needed that would relate to the estimates, I am sure the minister could call on his staff at the next meeting or whatever to explain the spending habits of that particular ministry.

All we have here year after year is an exercise in which we go over the very same things. You could take last year's Hansard and go through it and you will find almost identical opening statements made by the opposition parties and continue on. I am sure that some of the comments made tonight have been documented from last year's and the prior years' opening remarks.

I think the minister is very wise in maintaining the deputy here with him and his executive assistant. If any information is required, it can be very quickly given to the committee at any time. I do not think it is a matter of urgency.

I totally agree. Why should we waste the time of 10 or 12 or so people sitting here night after night not responding in any way?

Mr. Stokes: Why does every other ministry do it?

Mr. Havrot: As my mother used to say, if someone jumps off a cliff, it does not mean you have to follow him off the cliff, too.

Mr. Stokes: You are calling into question the wisdom of every other ministry.

Mr. Havrot: I am sure, Mr. Stokes, that if the minister were stuck for an answer he would have it for you in a matter of minutes or so.

Mr. Stokes: You are arguing against every other ministry.

Mr. Havrot: If everybody else cuts his throat, does that mean we have to cut our throats?

Mr. Stokes: Are you saying that is what they are doing?

Mr. Havrot: That is what they are doing. They are wasting the taxpayers' money in having these people sit here night after night. You know as well as I do they have sat here for hours and maybe one out of the 10 or 12 would be called up before the committee. The rest of them sit there night after night wasting valuable time for no particular reason at all.

This is why I think the minister is doing a great job. He knows his ministry. If there are any questions to be answered, I am sure that you will get them very quickly.

Mr. Stokes: All those cabinet ministers are going to be happy to hear what you have to say.

Mr. Havrot: Who is?

Mr. Stokes: The Minister of Health (Mr. Norton), the Minister of Education (Miss Stephenson), the Minister of Transportation and Communications (Mr. Snow).

Mr. Chairoman: Could you direct your remarks through the chairman, please, and stick to the debate on the particular motion? Mr. Sheppard and Mr. Sweeney.

Mr. Sheppard: Mr. Chairman, I am not an old pro such as Mr. Stokes. I am just a rookie, but I have sat in on quite a few estimates. I have often questioned, and sometimes asked the chairman privately, why a minister has so many staff sitting in the chairs.

I have confidence in our minister. I have confidence in our deputy minister because he was assistant deputy minister with the Ministry of Natural Resources before he went to the Ministry of Culture and Recreation and then as the deputy minister to the present minister. I have all the confidence in the world that if the minister and the deputy minister did not have all the answers for the members and the opposition parties they would have brought staff with them.

I am confident that if there is a time during the estimates when the minister or the deputy minister cannot answer all the questions, they will bring in staff. We started out with 18 hours of estimates. I am sure that if either one of these fine gentlemen, both of whom are capable of doing the job they are asked to do, needs to, he will bring in extra staff to answer the questions. I am confident in the minister and the deputy minister.

Mr. Sweeney: Mr. Chairman, may I suggest to both you and the minister that the prime function of the estimates is not for the benefit of the minister himself but rather for the benefit of the members of this committee to elicit information or to challenge positions, whatever way you want to put it.

It seems to me the comment the Speaker in the House often makes, whenever we bring up questions about what is happening in committee, is that it is up to the committee to order its business the way it sees fit.

Just as, in the House, the prime function of question period—not the only function, but the prime function—is to provide what is usually referred to as the loyal opposition with the opportunity to question the government, so also the prime function of an estimates committee—not exclusively, but its prime function—is to provide opposition members with a chance to challenge ministries and ministers on the way in which their—

Interjection.

Mr. Sweeney: I did not say exclusively. Let us take a look at the political reality of what we are dealing with. It is very seldom a member of the government will question or challenge the minister or his policies as aggressively as the opposition will. That has been a function—

Mr. McNeil: We have the opportunity to do that in caucus.

Mr. Sweeney: Okay. That is fine. You have other opportunities. The member is simply echoing what I am trying to say.

Mr. Havrot: We would never do that.

Mr. Sweeney: Its prime purpose—

Mr. McNeil: You are trying to indicate that we are sitting idly by.

Mr. J. A. Reed: Do you want us to go to your caucus?

Mr. Watson: It has been known to happen in the last week or so.

Mr. Sweeney: What I am really trying to get at, Ron, and I think you appreciate it, is that the purpose here is mainly to provide an opportunity to question the decisions that are being made.

Let us also keep in mind that the budget is the primary policy document of the ministry. Where a minister and a ministry decide they are going to spend their dollars is the best way of saying what their priorities and policies are.

What I am trying to suggest is that if it is the sense of the members of the committee—and I will put it this way very deliberately: particularly the opposition members of the committee—that they can get the kind of information they want in the form they want, then I believe we have a perfect right to lay before the committee and before the chairman our understanding, our description and our outline of the kinds of people we would like to be able to question.

I go back to my opening statement: the purpose of this committee is not to meet the minister's needs. The purpose of the committee is primarily to meet the members' needs.

Mr. Hodgson: Right.

Mr. Sweeney: We are saying to the minister at this time that we believe our needs can best be met in the way in which it has been described.

I see a subtle philosophical difference there which must be taken into consideration. I am also suggesting to the chairman that he not make a ruling on this solely on the basis of his interpretation of what we are talking about—that you consider the prime function of this committee.

Mr. J. A. Reed: I do not want to belabour this too long, but I want to remind the chairman of two factors. One was the minister's reason on Wednesday for refusing to bring in senior people. I am paraphrasing, I admit, and the minister should certainly jump in and correct me if I am wrong. His words were to the effect that he did not want to subject his staff to political criticism, to a political harangue or a political debate.

8:50 p.m.

At that time, I reminded the minister that we were in a political arena, and that this is the way the game is played. That is what we are doing here. If it were not political, we would not be functioning.

It is the function of the opposition to be political. It is the function of the government to be political. Let us all understand that clearly. The point is that every other minister, in my experience and obviously in the experience of those who have been here longer than I have, has exhibited faith in his bureaucrats and confidence in those people.

We pointed out at that time that it was not the intent of the opposition to want to have a whole retinue of staff members sitting here through this whole boring procedure, if you like.

Mr. McNeil: You cannot have it both ways.

Mr. J. A. Reed: What we suggested—

Mr. Hodgson: If the minister cannot answer—
Interjections.

Mr. J. A. Reed: Wait a minute. You will get your chance. What we suggested to the minister was that he could bring specific people in for a period of time for a debate.

That brings me to the other point I want to make. This committee has the power to order its own business. Let us never lose sight of that. I know the minister has stated his position, that the minister has the power to order his business. It is not quite true. It is this committee that has the power to order the business of the committee. That is why I am standing by this motion.

Mr. Chairman: Before I say anything, minister, do you care to make some remarks?

Hon. Mr. Pope: I do not want to reiterate the debate of last year or what I said earlier. I do not have anything to hide, in response to my Liberal critic. We are not advising ministry staff not to give information. You and Mr. Laughren were briefed by my staff on the provisions of the Mining Act, at my request, to give you information on what we have. Yes, I requested my staff to brief you. Right?

Mr. Laughren: I am not going to argue with you about the request. If you want to lay claim to that, it does not bother me.

Hon. Mr. Pope: No. I requested my staff to brief you on the responses to the Mining Act, and the specific provisions, in response to your request to get some information on it. I extended the offer to the Liberal critic. We have tabled more documentation in the House and have made it available in the ministry library.

From all the comments on the land use planning process, from all the comments on open houses and forest management agreements, we have striven to make as much information available as we could, through all the routines, including filing with the clerk.

I know Mr. Laughren feels we have not been forthcoming in certain specific matters. He made that point clear in last December's estimates and in questions in the House. I am not arguing with the right of any member, as Mr. McGuigan has said, to be heard.

The members are going to give me their opinion on the ministry, the minister, the staff, and the problems throughout Ontario that we, in your opinion, are not addressing properly. You are going to give me all of that in the estimates. You are being heard in the estimates. I hope I am being heard.

Mr. McGuigan made reference to parliamentary democracy, and I thought the cornerstone was ministerial responsibility for the actions of one's ministry. It is not a case of one against the world. It is not that the staff is entirely against me. As I explained before, that was not the situation.

The member for Kitchener-Wilmot (Mr. Sweeney) is quite right, and so is the member for Halton-Burlington. We are in a political arena. I am the politician who is responsible to you for my ministry in the political arena. You are here to challenge opinions. That is the political reality, as the member for Kitchener-Wilmot said. As he also said, the budget is primarily a policy document. It indicates the priorities of the ministry.

I am responsible for the policies and priorities of the ministry, so I have to say I agree with the comments of the opposition members. That is why I am here: because I am the person politically responsible to the Legislature, and therefore to its committees, for every action—even if I might disagree with it—of every employee of the Ministry of Natural Resources.

There have been some problems in different facets or programs of the ministry. Some

decisions have been made which, if I were in the field, I might not have made. I do not have all the knowledge of the field people, but in my respectful opinion I still have to be accountable to you for their decisions.

Mr. Wildman: No one questioned that.

Hon. Mr. Pope: Well, we were talking about whether or not this was a political arena, as has been described by members who were speaking before you arrived. It is a political arena, and it is my—

Mr. Wildman: You can still be here and you can still be responsible.

Hon. Mr. Pope: It is my political responsibility to answer, and if you are here to challenge policies—as it was indicated that the purpose of this committee is—I am responsible for the policies, not the people who are administering them in the field.

Mr. Wildman: No question. They can still answer questions.

Hon. Mr. Pope: No. You are here to challenge policies, as was said, and that is precisely what I want to do. I want to discuss the policies and priorities of the ministry. You can go through a list of people whom you want to be present, and I know almost all the names you would put on the list. I know precisely why you want them to be present.

Mr. Wildman: To ask questions.

Hon. Mr. Pope: Exactly, because it is a political arena. It is challenging of priorities and policies, and if these people can help you challenge the priorities and policies of the ministry, you would be very happy to have them do it.

Mr. Wildman: Oh, wow, that explains it.

Hon. Mr. Pope: That is precisely why the minister, in the tradition of parliamentary democracy, should be answering the questions.

Mr. Sweeney: We have a motion.

Mr. Chairman: Mr. J. A. Reed moves that the Minister of Natural Resources be required to bring with him those people in the ministry whom the members of the committee consider important to the passage of these estimates.

Mr. Laughren: A point of order. Is an amendment to a motion in order?

Mr. Chairman: I guess it is always in order, yes, until it has been passed, one way or the other.

Mr. Laughren: A friendly amendment, to satisfy the minister in that it names the people. Do you have any objections to that, Julian?

Mr. Chairman: You mean the people in the motion?

Mr. Laughren: The ones we would like to come. Any objections?

Interjections.

Mr. Chairman: Do you want to go through it again?

Mr. Laughren moves that the motion be amended in that the following Ministry of Natural Resources personnel be requested to appear before the standing committee on resources development during the debate on the estimates of the Ministry of Natural Resources:

Mr. Kenneth Armson, executive co-ordinator, forest resources group; Mr. Doug Drysdale, general manager, Ontario tree improvement and forest biomass institute; Mr. Michael R. Garrett, director, conservation authorities and water management branch; Dr. Martin F. Walmsley, science adviser and energy co-ordinator; Mr. James E. Finlay, executive co-ordinator, mineral resources group; Mr. G. A. McCormack, assistant deputy minister of northern Ontario; and Mr. Ted Wilson, director, office of Indian resource policy.

Hon. Mr. Pope: Why do you not add the ones you want, Julian?

Mr. Chairman: Does he have any other ones to add to that?

Hon. Mr. Pope: Yes, he does, if he ever gets—
Interjection.

Mr. Laughren: That is the local union. The Ontario Public Service Employees Union. They typed it.

Hon. Mr. Pope: Now you know what you have gotten yourself into.

Mr. Laughren: What does that mean?

Hon. Mr. Pope: Just what I said.

Mr. Hodgson: Who typed that?

Mr. Laughren: That is our staff; the staff that types the memos. What does that have to do with anything?

Mr. Chairman: Mr. Hodgson, a question on the amendment?

Mr. Hodgson: You have the motion.

Mr. J. A. Reed: We have the amendment and we have the motion, Mr. Chairman.

Mr. Chairman: Are there names from—
9 p.m.

Mr. J. A. Reed: We are going to have an amendment to the amendment.

Mr. Chairman: On the motion—

Hon. Mr. Pope: It was an amendment to the motion.

Mr. Chairman: The amendment and the motion. I am not aware—and I guess I have to plead ignorance on this—of any precedent on this motion. Rather than rule it in order or out of order at the present time or accept the motion ruled out of order, I would ask the committee's indulgence until the next meeting, which is Monday night, for my consideration before ruling on the motion. Allow me time to consider whether I wish to rule the motion in order or out of order.

Mr. Wildman: Frankly, we do not understand how it could be out of order.

Mr. Chairman: I do not either, but—

Mr. Laughren: Could I ask a question? Mr. Chairman, are you saying that you want to wait until Monday to make a ruling on whether or not the request should be granted?

Mr. Chairman: Yes, to make a ruling on whether the motion is in order or out of order is what I am saying.

Mr. Laughren: How could it be out of order?

Mr. Chairman: I would like to check precedents of other committees.

Mr. Sweeney: Frankly, what difference does it make if you rule it in order?

Mr. Chairman: I would feel comfortable in my own mind.

Mr. McNeil: I do not think it is in order.

Mr. Hodgson: Why not?

Mr. Chairman: I have had a fair bit of advice up until now.

Mr. Stokes: I think it is a reasonable request by the chairman of this committee and I think we should grant his request.

Interjection.

Mr. Stokes: Yes.

Mr. Chairman: We are not going to produce anyone tonight anyway.

Mr. Stokes: He will look at the precedents. There are ample precedents.

Mr. Chairman: I will consult with the Clerk of the House and come back.

Interjection.

Mr. Chairman: No, as I say, I apologize for not doing so. If I can have the indulgence—

Mr. J. A. Reed: We are chaired with such indecision.

Mr. Chairman: —of the committee on that, I would appreciate it.

Mr. Watson: Mr. Chairman, you said Monday night. Was that—

Mr. Chairman: Yes, we are meeting on Monday night. Incidentally, if that is by way of announcement to some people, it is Monday instead of Tuesday.

Mr. Watson: It is by way of announcement to some people, if that is the case.

Mr. Chairman: Yes, it is Monday instead of Tuesday night next week.

Mr. Riddell: Why is that?

Mr. Chairman: Because there is a labour bill which affects the same critics who are on this committee, so I am told. There is an all-party agreement that we are going to meet on Monday instead of Tuesday.

Mr. McNeil: I apologize, Mr. Chairman, I thought you meant that what we have before us was out of order. I apologize for that.

Mr. Chairman: No.

Mr. J. A. Reed: Mr. Chairman, I will accede to the wishes of the members of the committee who want to give you time to find out. I think you will find there are people in all parties on this committee right now who will tell you that the motion is in order.

In my experience in the Legislature, I have not run up against something of this nature before. However, we will wait for Monday night on it. I will proceed.

Mr. Chairman: Thank you. Just proceed, Mr. Reed, I appreciate it.

Mr. J. A. Reed: I do not want to take up the whole evening.

Mr. McNeil: Go ahead.

Mr. Watson: Why not?

Mr. J. A. Reed: Do you really want to hear it?

Mr. Watson: You have not been hesitant before.

Mr. J. A. Reed: The member for Timiskaming (Mr. Havrot) inflamed me just a little bit because he said, "We come in here and do not talk about money." I am going to begin by talking about money.

Mr. Chairman: Can I interrupt before you get into your remarks? I do not know if it is in order. The estimates for our committee have to be set in case there are some summer meetings. We have no idea as to what they might be referring to us.

The clerk is passing out the budget for the summer meetings. We are not going to decide on it now. Prior to our rising this evening, I would like to take a look at this budget and pass it one

way or the other. I would just like you to take a look at that while Mr. Reed is speaking.

Mr. Watson: Thanks for reminding us we have to talk about money.

Mr. Chairman: Mr. Reed, please carry on.

Mr. J. A. Reed: Thank you very much, Mr. Chairman. The budget will give the members something interesting to peruse while I have the honour of putting some of this important material on the record.

In March of this year, we put a number of questions on the order paper, only one of which has been answered to this point. I am going to read them into the record, as tedious as it may seem, because the ministry has not answered the questions to this point. I do believe this is one of the concerns that the opposition parties have, this business of the length of time it takes for ministries, generally, to answer Orders and Notices questions. This is no exception.

1. Would the Minister of Natural Resources indicate the amount spent by the ministry for: (a) management consulting services; (b) technical consulting services; (c) communications services; (d) legal services; (e) research and development services, and (f) creative communications services, as defined by the Management Board of Cabinet Manual of Administration, for the fiscal years 1978-79 and 1982-83 inclusive?

2. Would the minister indicate the number of contracts involved in each of the categories, and for each fiscal year, as outlined above?

3. Would the minister, for each of these contracts, name the individuals, companies or firms awarded the contracts, and indicate whether or not the contracts were tendered?

4. Would the minister indicate the number of people who are employed by the ministry, by contract or otherwise, who are not classified as civil servants? Would the minister indicate the total cost incurred for these services for the fiscal years 1981-82 and 1982-83?

5. Would the minister indicate how many vehicles are rented, leased or owned by the ministry? What is the expense incurred and description, model and year of each vehicle owned, rented or leased by the ministry?

6. Do the Ministry of Natural Resources and parliamentary assistant have access to government-owned, chauffeur-driven limousines? On what basis and conditions?

7. Would the Minister of Natural Resources outline the number and destination of all trips taken outside of Canada by the minister, deputy minister and assistant deputy ministers at public

expense for each of the fiscal years 1981-82 and 1982-83?

8. Would the minister outline the members of staff and any nonministry personnel who accompanied the minister, the deputy minister and the assistant deputy ministers on any of these trips? Would the minister indicate the purpose and cost of each trip headed by the minister, deputy minister or assistant deputy ministers? How many direct jobs have been created in Ontario as a result of each trip?

9. Would the minister specify: One, the number of employees directly responsible for communications with the public and press, and the total salaries in the communications information branch of the ministry and any of its agencies, boards and commissions for the fiscal year 1982-83; two, the number of clerical and support staff and contract staff who assist communications officers, and their total salaries for the fiscal year 1982-83; three, the number of employees directly responsible for communications with the public and press, and total salaries in the communications services branch of the ministry and any of its agencies, boards or commissions for the fiscal year ending 1977-78, if applicable; four, the number of clerical and support staff and contract staff who assist communications officers, and their total salaries for the fiscal year 1977-78; and five, whether the minister has a personal media adviser or advisers, and if so, what salary or salaries the advisers received for the fiscal year 1982-83?

9:10 p.m.

10. Would the Minister of Natural Resources indicate: One, what was the total advertising budget for the ministry and its agencies, boards and commissions for the fiscal year 1982-83; two, what was the comparable advertising budget for the fiscal year 1981-82; three, which advertising agencies were employed; four, were tenders let for these accounts; and five, would the minister provide a copy of the material used in all the promotions, such as brochures, radio and television scripts, direct mailings and any other promotional material?

Hon. Mr. Pope: Can I mail it to your home?

Mr. J. A. Reed: Minister, if you had answered that on the order paper, I would not have had to go through the last 15 or 20 minutes bringing that up. However, it is on the record, and those are questions which directly affect finances, for the benefit of the member for Timiskaming. Therefore, we will expect some pretty concise answers.

In the time left to me, I would like to turn to a few subjects, all too briefly. The first one I would like to mention is the question of the flood plain mapping program, and what is now the Taylor report—that is, the review committee on flood plain management in Ontario.

The minister must be aware by now that the recommendations contained in this report have been reasonably broadly accepted across the province. At least, the kind of feedback our office receives, and that of the various members who have concerns about flood plains, would indicate that the Taylor report has been reasonably acceptable.

The minister may also be aware that some conservation authorities—and I do not know how many—are quite opposed to this report. They have been very active in the last few weeks preparing predigested, canned resolutions, which they are feeding out to their respective municipalities and asking them to pass, opposing the contents of this report.

The difficulty with those activities is that the public itself has no opportunity to rebut those suggestions or proposals. In other words, the conservation authorities are taking them directly to municipalities and simply asking for a vote.

I have not had the opportunity to sit in on a presentation to a council, but it seems to me that the councils are taking these and acting upon them, that there does not seem to be any opportunity for public rebuttal whatsoever.

How many conservation authorities have become active in this regard? I want to know what the minister's position is on this report.

We know how difficult and painful the whole process of flood plain mapping has been. It is a process that has taken a great number of years and an awful lot of money. This review committee has proposed some adjustments to it to make it palatable, and yet it maintains the basic premise of flood plain mapping, and that is the health and safety of the people who are affected in the flood plain.

I can talk about that from a very personal point of view, as the minister well knows. Eighty per cent of my acreage is technically in a flood plain. Some of it is right under the water.

I would just advise the minister that this is a very critical issue for many people. They see in this review committee report not perfection, but something that is liveable. I want to know how these conservation authorities are able to run around in a very short period of time and feed these precanned resolutions to municipalities,

asking them to act on them without the full benefit of public participation.

I cannot let the evening go by without talking about the Ministry of Natural Resources gravel policy. It is a policy which probably affects more directly those ridings or those areas in the geographical proximity of the Golden Horseshoe around Metropolitan Toronto. It is an area where there is a tremendous inventory of aggregate resources and quite a tremendous market.

The riding of Halton-Burlington, which I have the honour to represent, supplies over 50 per cent of the aggregates that come into the Metropolitan Toronto area, so we are very large, substantial participants in this activity. When I say "we," I refer to all the municipalities in that riding, the conservation authorities and so on. We are highly incensed with the ministry's gravel or aggregate policy, which it is now moving to incorporate into the Planning Act.

I have to say that, in spite of all the arguments I have heard about the need for an assured supply of aggregates to the Metro area in the next 30 or 40 years, I know that in gravel pits and mining areas that are licensed at the present time there is an incredible inventory of gravel alone. Proposals that would tie up incredible amounts of land—land which is now being farmed, land for which municipalities have plans in terms of their future and so on—are going to have a most serious detrimental effect.

If, through the Planning Act and through a declaration of the minister that it is in the provincial interest—section 23 of the Planning Act—the Minister of Municipal Affairs and Housing (Mr. Bennett) becomes the czar of gravel in Ontario and in effect freezes this land against any further change in its operation or development, what you are doing is devaluing that property to the point where you are going to significantly lower the assessment base in those areas. You are going to significantly lower the tax base because there are even precedents now for appealing taxes on the basis of lowered values.

There just will not be the buyers for that land outside of those in the aggregate industry who are looking to the long term. Nobody is going to purchase that land at the kind of farm land prices that have been prevalent in Halton, for instance. No one is going to buy rural homes in the area because of the impending future that they will face, either surrounded by gravel pits or being swallowed up by gravel pits in the future. There is no future in those areas.

Mr. McNeil: Are you supporting ribbon development, Julian?

Mr. J. A. Reed: I will get into that debate, if you like.

Mr. McNeil: No, I just asked you a question.

Mr. J. A. Reed: I wish I had the time. If you would like to make yourself knowledgeable about this problem, drive up on the escarpment some time. Drive up through Halton and have a look at what is there now and what is being proposed to be designated as the future gravel sites.

Mr. McNeil: I have done that.

Mr. J. A. Reed: The minister has been to Acton and has met with the citizens out there and he knows very well the kind of response he had.

Mr. McNeil: I have walked it and no one paid any attention to me.

Mr. J. A. Reed: I say with the greatest respect to the minister that a policy as draconian as this will not serve the future of this province well. It will tie up land for gravel, there is no question about that, but we have to get back to the old question of just how much do we need.

9:20 p.m.

We certainly do not need the threatened imposition of tying up 30,000 or 40,000 or 50,000 or 60,000 acres, for instance, in a municipality like Halton. It seems to me to be absolutely unacceptable. I think in Halton there is a known potential of 40,000 acres.

So I say, with respect, that when you start declaring that to be in the provincial interest, and freezing that land for all time, you are going to be in for a huge problem, political, financial and otherwise.

I would like to deal for a minute with wasteful cutting practices. There is a report, which I believe the minister has had on his desk since 1982, that is supposed to outline a plan for modernizing the whole process of wasteful cutting practices. That report, to my knowledge, has never been tabled. I think the minister will agree that it has not been tabled.

Mr. Laughren: He has not tabled the report yet.

Mr. J. A. Reed: What I understand we are dealing with is a system of penalties for wasteful cutting practices that has an economic base originating in 1952. I did have a copy of some of the earlier fines that were levied and I have to tell you they do not relate to modern economics in any way, shape or form. Any company that was engaged in wasteful cutting practices would be

quite delighted to pay the kinds of fines that were structured in there.

Mr. McNeil: Who imposed the fines, Julian? Is that in the report?

Mr. Wildman: It is sub judice.

Mr. J. A. Reed: I would ask the minister, when he is going to table this report—we have been asking for it now for two years; it is there; you know what is in it—and bring his economics up to the 1984 level? If the reports that we do have in our possession—in terms of the penalties that have been imposed—are any indication, if you are still operating under the same criteria that you were then you are still in the Dark Ages.

Park designations is another matter. The minister mentioned parks in his opening statement and spoke glowingly about the future park plans of the province. It came as something of a shock to us to find that one proposed park area had 12,000 acres knocked off it this last winter. The ink was barely dry on the land use guidelines, and it would seem, from the information we have anyway, that there was a deletion of about 12,000 acres.

Mr. Laughren: That just proves that guidelines are guidelines.

Mr. J. A. Reed: Since then, we have discovered that the ministry has backed down to the extent that they are putting a moratorium on harvesting that 12,000 acres until some more definitive information is available on its future.

We are pleased to see the ministry is prepared to do that, and perhaps it was because of the efforts of those people who opposed that deletion that a moratorium was placed on that cutting. What I am referring to, of course, is that area known as Brightsands River.

In spite of all the rhetoric that was in the minister's opening statement, I do not know of one park in 1983-84 that has been designated that has actually come into existence as a designation. What we have is a set of plans, and they are subject to the minister's inscrutable flexibility. We have six parks designated by order in council, or are they in place by order in council?

Hon. Mr. Pope: As of June 2, 1983.

Mr. J. A. Reed: And since then there has been nothing. I wonder if the minister is going to designate more parks this year, and if he is going to make more revisions before he designates. What assurances do those people have who are most concerned about the future of parks in Ontario that the minister is going to follow through with some of these highly lauded plans?

I wanted to touch for a minute on the area of mining. Of course, as the minister knows, and I will say it one more time, it has been the policy of our party that mining is important enough to be established as a separate ministry, in spite of the fact that I may be chided for our position that there are often too many ministries in the government.

Mr. Laughren: It does appear to be somewhat contradictory.

Mr. J. A. Reed: Well, I think we can safely say that the umbrella ministries, the so-called superministries, are the kinds of things that we feel are in gross surplus. In terms of mining, it is of incredible and increasing importance.

Mr. Laughren: Certainly the industry supports you in that.

Mr. J. A. Reed: I think you agree with it, too, Floyd.

Mr. Laughren: Mainly, they want a new minister.

Mr. J. A. Reed: I think I can safely put on the record that even the member for Nickel Belt supports the concept.

Mr. Laughren: No, as a matter of fact, I do not.

Mr. J. A. Reed: The member does not. Put that on the record. The member does not support the concept.

Mr. Laughren: I do not support the concept.

Mr. Havrot: If it is anything good.

Mr. J. A. Reed: It brings us to the area of what has turned out to be one of the largest—

Mr. Laughren: The government member for Timiskaming supports you.

Mr. Havrot: We had a private member's bill in two years ago. You did not know that.

Mr. J. A. Reed: That is right. The member for Timiskaming supports a separate ministry.

Mr. Havrot: You voted against it.

Mr. Laughren: Your government voted against it.

Mr. Havrot: No, you did.

Mr. Laughren: Why do you not cross the floor? Not to us, either.

Mr. Havrot: I would not want to. I am not going to you guys.

Mr. J. A. Reed: Mr. Chairman, I am being harassed.

Mr. Chairman: May I have the order of the committee, please?

Mr. McNeil: They are coming our way. They are not going your way, Floyd.

Mr. Chairman: The member is losing his thought train, and we do not want him to do that.

Mr. J. A. Reed: With great respect, the member has great difficulty keeping a thought train at the best of times.

Mr. Chairman: I did not want to say that.

Mr. J. A. Reed: It brings me to what has turned out to be, I suppose, one of the largest if not the largest mining discoveries in Ontario, certainly in recent years. That is the Hemlo gold deposit.

The message that came home through that discovery and development is that the time is now ripe to fulfil the wishes of a former Minister of Natural Resources, the member for Muskoka (Mr. F. S. Miller), who went on record in 1978, after commissioning studies by the ministry, to say that we should have a junior mining, or what you might call a junior resource exchange in Ontario.

The situation as it exists at the present time in the financing of mining development—and believe me, I am no expert, but I do know that—

Mr. McNeil: You are sure right on that one.

Mr. J. A. Reed: I am, and I admit to that. I hope that the honourable member will admit to his foibles at the appropriate time.

Mr. Sweeney: I remember some land. You also looked at some farm land and you did not think much of it.

Mr. McNeil: I knew a hell of a lot more about it than your leader, too, or even your critic.

Mr. J. A. Reed: The development of Hemlo, unfortunately, had to be channelled to a large extent through the Vancouver Stock Exchange. It is quite a pity. A lot of the money came from Ontario to support that development, but the fact is that the money had to be processed, the selling of junior shares had to be processed through Vancouver.

The brokerage business in this province did not have the benefit of that. What happens in a situation with junior properties at the present time is that they can only be underwritten to a certain point.

When it is necessary to finance them to the point where they become eligible for the regular stock exchange they end up being taken over by one of the very large companies and the original investors or the original speculators, who should be able to reap the rewards for their original faith in that property, do not receive the proper share of the benefits.

I see the member for Timiskaming, who is an expert—

Mr. Havrot: That is not so, and you know it.

Mr. J. A. Reed: We will see.

Mr. Havrot: I can give you the example of Lac Minerals Ltd. They were spending \$250 million.

Mr. Chairman: Try to get directly to the question.

9:30 p.m.

Mr. J. A. Reed: Before the member for Timiskaming digs himself in too far, he should go back and read some of the statements that were made in 1978 and he should read the studies that were done—

Mr. Havrot: Hemlo was not discovered in 1978. That is what we are discussing right now.

Mr. J. A. Reed: No, we are discussing junior mining and junior resource development. He should read some of those studies.

I would like to call it a junior resource exchange, minister, because it should be involving energy investment as well as mining potential. There is no medium of that nature in Ontario now where someone can take a flyer on a moose pasture. Let us understand what it is. It is a flyer on a moose pasture, but I will tell you, the odds are a heck of a lot better than Wintario.

Mr. Havrot: No, they are not.

Mr. J. A. Reed: If moose pasture salesmen were advertising the way Wintario advertises, they would all be jailed.

Mr. Havrot: You have not played the stock market.

Mr. J. A. Reed: Let us understand that. If a junior resource exchange were properly set up in this province, it would do a great deal for the development of resources here.

Our children and the stuff we have buried in the ground are the two greatest resources this province has and I think it behooves us to enhance the development of those two resources in the best possible way. So I will go on record as supporting a junior resource exchange. It would be interesting to have the minister comment on that, because I would think that deep down he is probably enthusiastic about that possibility too.

The only people I know who may not be supportive of a junior resource exchange are those people who benefit from not having it; those who go in and take large percentages of interest in some of these properties, which they could not do if a junior exchange were able to

raise money on a much broader base and involve more people.

The members should know that not more than 10 per cent of all of the people of this province buy mining stocks. There are 90 per cent who do not.

Mr. Havrot: They are the smart ones.

Mr. J. A. Reed: One reason only 10 per cent do is that it is considered a game in which fairly large amounts of money have to be played. With a junior exchange and understanding the realities of that, people can have an adventure into that kind of participation. They can lose their shirts seven times out of 10 and they can occasionally win—three times out of 10.

As I say, the odds are better than Wintario.

Mr. Havrot: Not three times out of 10. It is a thousand to one.

Mr. J. A. Reed: I even have some of those tickets in my pocket.

Mr. Riddell: That is better than farming.

Mr. J. A. Reed: As our agriculture critic says very wisely, "It is better than farming."

Mr. McNeil: He has done very well at farming.

Mr. J. A. Reed: At least we have put it on the record.

Mr. McNeil: So has the member for Kent-Elgin (Mr. McGuigan).

Mr. J. A. Reed: Minister, I mentioned something during your opening statement and I am going to put it on the record one more time.

Mr. Laughren: You guys really are all one party, are you not?

Mr. McNeil: Philosophically we have some of the same views.

Mr. Laughren: All of the same views.

Mr. J. A. Reed: Mr. Chairman, why can I not hold these people in rapt attention?

Mr. Riddell: We cannot say that. We are not socialists.

The Vice-Chairman: It is late in the evening, Julian.

Mr. J. A. Reed: I reminded the minister that during estimates last fall I had pointed out to him when the land use guidelines were delivered that a phrase had been omitted which had been contained in the land use planning book of a few months earlier. It referred to the preservation of hydraulic power sites.

I expect that the oversight was intentional on somebody's part—not the minister's though; I give the minister full marks for that. I expect it

was a deliberate oversight on the part of someone else who feels that somehow water power has no future in Ontario. I beg to differ, and I hope the minister differs too.

The minister promised that he would include, as a codicil or an addendum to the land use guidelines, a definitive statement on the preservation of hydraulic power sites. So far that has not appeared.

It may not seem like a big thing to some of the members, and to those who feel that nuclear power is our only future it may seem very trivial. However, I have to say to this House, I have to put it on the record, that one country which is becoming rapidly the most secure electrically is China. It now has 100,000 turbines installed, and they are going in at the rate of 15,000 more a year; all relatively small hydraulic power sites. Their numbers alone make their country independent.

One has to understand that if 3,000 megawatts breaks down at Darlington or at Bruce, it is quite a different thing from one 50-megawatt hydraulic generator breaking down somewhere in the system. We have proved, especially over the last two years, that the hydraulic system in place supplying Ontario Hydro has been the technology that has shored up the whole grid, shored up the whole system. It consists of 25 per cent of the installed capacity and last year it provided 30 per cent of the power requirement, which is quite a tribute.

Last week, I saw the figures for one of the Niagara units in Hydroscope. It had a track record of 99.5 per cent in service last year. It just leaves thermal power, nuclear power and anything else you can imagine way behind in the dust. In spite of the fact these sites across the province are of smaller capacity, they have a value to the grid and a value to reliability that far outstrips their size. I cannot impress upon the ministry more than that.

In spite of the fact that Ontario Hydro is not prepared to pay a marginal cost price for those new installations at the present time and so on, the future tells us now that we cannot allow those sites to simply be stomped on or overrun for other reasons—and they are, particularly in southern Ontario.

I have results of studies that have been done on some power sites that were in place for nearly 100 years and were taken out. Now the excuse is made that, for aesthetic reasons, we do not want to put a turbine in, or for some other reason that a hydraulic turbine should not be considered as a potential reinstallation in some of those areas.

I think it is very shortsighted that we would so encumber a power site that it cannot be reused some time in the future. It seems to me we have to protect them, we have to conserve them, because otherwise we will lose them for ever; the economic forces around the outside will say, "You cannot do it there."

Minister, your statement in those guidelines is very important. I know this is an axe I have ground for many years, and I will grind it for many years to come, but I also know it is one of the few items about which I feel I am somewhat on the right track.

9:40 p.m.

The minister shook his head when we talked about informational difficulties in his ministry, about getting information. When we come back next week, I will detail some of those difficulties to him, and detail the conversations that have been related to me where questions have been asked and requests made, only to have the people told that the answers could come only from the office of the deputy. If that is the case, the deputy's office must be awfully busy.

I promise to do that.

I think I have covered most of the salient areas. I expect I will be told by tomorrow that I have missed some important ones.

Mr. Riddell: Nothing on commercial fishery quotas, Julian?

Mr. J. A. Reed: You have got me, Jack. I am going to get you to bring it up when we get into it. We will get into that.

We will get into wetlands preservation as we go through the estimates, I think. I just do not want to take up any more of the time of this committee tonight because I know the Natural Resources critic for the third party would like—

Mr. Sheppard: He is not here.

Mr. J. A. Reed: Oh, he is not here.

Mr. Sheppard: He has gone.

Mr. J. A. Reed: That is all I want to say in the opening statement. I will deal with commercial fishing and wetlands when we come down to the actual estimates because there are a lot of details, particularly with commercial fishing quotas.

The Vice-Chairman: Do we have an opening statement from Mr. Laughren from the third party?

Hon. Mr. Pope: I would like to answer, if it is okay.

Mr. Laughren: If the minister wants to answer, when he is finished I can do a little bit at that time. It does not matter.

The Vice-Chairman: Thank you.

Hon. Mr. Pope: Thanks. Perhaps if I could take the issues in reverse order and track them back that way.

I do not think, in personal terms, the member and myself have disagreements on electrical generating potential of our water systems in Ontario. There have been some references made in these specific district land use guidelines. They vary from district to district. Maybe I could just read segments of a couple of them.

The Thunder Bay district document has a section on energy. It says: "As a goal, the Ministry of Natural Resources will contribute to the extent of its mandate to the implementation of Ontario's energy security policy through its allocation of land and water to various users."

There is a specific section on hydraulic power: "While hydraulic potential has largely been developed in Ontario, further benefits can be achieved through the development of suitable new sites and extensions to existing facilities. Within the northwestern planning region the most promising sites for new developments occur on the Little Jackfish River, where an additional average energy output of 66 megawatts is anticipated, and at Maynard Falls, where a further 27 megawatts appears feasible.

"Alternative undeveloped sites from which substitution can be drawn occur at two points on the Pick River, with an estimated average energy output of 22 megawatts in total. An extension to the existing generating station at Ear Falls, increasing the average output there by five megawatts, appears feasible. Further possibilities exist for private development, utilizing sites of smaller hydraulic power potential"—and it says "less than two" in there. I do not know what that means.

Mr. J. A. Reed: The "less than two" is Hydro's own policy where they have said publicly that that was the point at which they were no longer interested in any possible development. That is fine for that part of northern Ontario. What statement is contained in anything for southern Ontario?

Hon. Mr. Pope: The only reference I can give—and as I say, they vary from district to district and I tried to grab a couple of samples between yesterday morning and tonight—in the Cambridge district document—

Mr. Laughren: That is why we need your staff here.

Hon. Mr. Pope: One guy is going to pull out all of this, eh?

Mr. Laughren: You know it.

Hon. Mr. Pope: That section on energy discusses the contributions to provincial energy objectives—it is page 7, by the way, of the Cambridge district report. It talks about the encouragement of fuel wood harvest as part of forest management.

"Other contributions can be made through the use of propane powered vehicles, use of solar water heaters in park facilities and the reduction of energy consumption in buildings."

Mr. J. A. Reed: That must have been the one I read, minister.

Hon. Mr. Pope: The strategy for the achievement of the energy policy statement is discussed in the program sections. The program responsibilities section just says: "The lands program works to ensure that both public and private lands and waters are managed in such a manner that natural resource potentials are not degraded. It provides for the use, management and perpetuation of natural resource benefits."

Then it says: "Regulating the use of lakes and rivers is a major responsibility. This provides for public rights in and over such waters, the protection of interests of riparian owners, the use and perpetuation of fish and wildlife and ensuring the suitability and appropriate nature of improvements in such waters." Then it goes on to say, "District staff will be involved in certain activities in carrying out the lands program."

Mr. J. A. Reed: I think you have answered my question. I do not know, quite frankly, how many districts do not have reference to water power preservation.

Hon. Mr. Pope: I do not think Cambridge did, from what I can see; not much of one, anyway.

Mr. J. A. Reed: That is right. It certainly should have.

Hon. Mr. Pope: Pembroke district, on the other hand, as a part of its program strategy on energy, says: "Ensure that energy potentials are considered before a permanent commitment is made to uses which exclude energy production."

Mr. J. A. Reed: That is essentially what the general statement said in the land use—

Hon. Mr. Pope: The overall blanket document.

Mr. J. A. Reed: Yes.

Hon. Mr. Pope: Then there is a reference under that. "There are no sites with high potential for hydraulic power in the district. However, Ontario Hydro has identified low priority hy-

draulic sites at Highland Falls on the Madawaska River and the Pickett Rapids on the Ottawa River."

It then goes on to say: "Conduct an inventory of potential hydraulic energy for ministry dams"—which I think is something you are aware of—"in the Pembroke district." The third one is: "Provide opportunities including access for the harvest of wood and the use of wood residues, both directly and indirectly, as fuel."

I guess what happened was that there was a deletion in the blanket document, and it was desegregated down. The question is why there was not a reference left in the blanket document, since it was contained in some form or another based on the local circumstances in the different districts.

Mr. J. A. Reed: There has been a great deal of palaver over inventorying water power potential and so on, and a lot of money spent, but the basic inventory was originally made in Ontario in 1895. The most recent upgrading of that until now was 1946. It now resides internally as a Hydro document. I made 10 copies of it. It really lists where those sites are.

Locations of water power potential do not change. They are there in perpetuity, providing they are able to be utilized. Other influences do not preclude their utilization. In southern Ontario, particularly, there are other forces at play. My objective here for "particularly" is—well, let us just talk about Cambridge.

There is a significant amount of small power. It was the power area that provided the economic roots of this province. I am thinking of the Grand River, the Credit River and so on. It may not seem significant—it is not, to Ontario Hydro standards and concepts—but it is very significant in terms of an exercise in conservation.

9:50 p.m.

I respectfully ask the minister if he will review those and see to it that a protective clause is put in, so a local conservation authority manager cannot come to me and say, "Well, Julian, we have reassessed some of these sites and for the following reasons we feel they are not feasible," and concoct a lot of phoney documentation that can be challenged by anyone with the tiniest bit of technical expertise.

That is what is happening now. They are saying, "We think this is not useful."

They may think it is not useful this year, but the fact is the potential was there 100 years ago and it will be there 100 years from now. Unless it is protected, we will get into a situation where other development and so on will preclude it. It

seems to me the preservation of those things has to be one of the responsibilities of the ministry.

Hon. Mr. Pope: From our point of view, I guess the only thing I can say in summary is that, the blanket document notwithstanding, in view of discussions that were held in estimates the last couple of years, my recollection of the instructions that went out was that every district guideline had to address the energy issue in its final document.

Some of them did not spend the time that, in retrospect, you would feel should be spent in devoting some space to potential sites on our river systems; others did. I guess one could go from district to district and make a judgement on that performance.

Mr. J. A. Reed: As long as you have in your ministry a conflicting viewpoint regarding this issue, I think the minister has to insist on a policy statement. When you have people in your ministry who want to dynamite all the dams in Ontario—I mean all of them and I will put some names to you—you have a policy conflict.

Witness the tragedy in Thornbury when that fish lift was put in and the biologists said, "The power plant has to go." You quickly got the contractor to chop up the penstock and 200 kilowatts was yanked out lickety-split, with no effort made to reinstall it. It was then quickly dispersed privately and is gone. That is a classic case. As long as you have those conflicts, you have to make a definitive statement.

Hon. Mr. Pope: The other issue you dealt with was mining. There are two points of view on that issue, even within our caucus. I take the point of view that I think the mining industry would be hurt by a separate ministry. You defined it as a junior ministry yourself.

Mr. J. A. Reed: No, I was talking about a junior mining exchange.

Hon. Mr. Pope: Okay, I am sorry. I think the word was used, but you did not use it.

Mr. J. A. Reed: I certainly did not intend—

Hon. Mr. Pope: Okay, a major ministry of mines. The integration of personnel in the last three years has proceeded at a different pace from previously. One of the problems the mining industry saw, from my point of view and from my contact with it—I grew up in a mining community and spent a summer in a survey crew with the old Department of Mines. I have worked underground, although Floyd would not believe it, and I have worked in a mill. I have worked in a mill office. I have worked in the geology office of the underground—

Mr. J. A. Reed: I never got to the mill office; I just got to the mill.

Hon. Mr. Pope: I think their feeling was that, as long as foresters and not mining people exclusively occupied the upper echelons of the ministry, they were being shut out from considerations of policy-making.

Mr. Laughren: Where is their modernization?

Hon. Mr. Pope: I will come to that. That is a good point; just a second. I forgot it. Thank you for reminding me.

We changed regional directors. Our regional director in Sudbury for the northeastern region, and our regional director in Cochrane for our northern region, are now both geologists. They have been appointed in the last year. We have a new executive co-ordinator in mines. We have been moving mining people into district positions of responsibility for overall programming. So I think that by integration and promotion we are trying to get mining people right up through the ministry structure and provide for a more balanced point of view, which I understood to be one of their concerns.

Second, although there may have been some disagreement on some of our program priorities in the last three years, some of them, particularly through the Board of Industrial Leadership and Development, were specifically directed at the mining industry.

We had the forest management agreement program in forestry and a few research programs in forestry, but generally the balance of the BILD initiatives were all directed towards mining. We had the gold milling project, the small rural industrial mineral program, the drill core library program, the mineral exploration incentive program—I think I may have the words wrong there. A number of these initiatives were put out quickly into the mining community to try to indicate there was a balance through the BILD program as well among forestry, general research and mining.

This has all been taking place in the last three years. We have been trying to work more with the industry, including individual prospectors and developers, both through amendments to the Mining Act and through program changes within the ministry—for instance, in the land use planning process, which had gone on for nine years.

Much of that program was being developed by individual branches of the ministry with very little integration, and I felt that mining and the mineral industry had not been given the consider-

ation they deserved with regard to resolving potential conflicts between resource users and also with regard to the targets for production and development of the industry.

The first thing we did in 1981 when we started to review the process, because they were about to print everything, was to get all the staff at the senior level in together to review each and every one of the documents to see where we were deficient in the kinds of information we had there and to see how we could resolve the conflicts through program adjustments.

One of the obvious conflicts, which still creates problems from time to time, is the harvesting of timber in a way that cuts across grid lines or claim lines that have been put in place by geologists and geophysicists. We tried to address those problems not only in the context of the general land use guidelines but also in changes in actual administrative directives to the field.

We still have cases such as we had south of Timmins, where a contractor acting for a lumber company there destroyed a grid system; but at least there was a recognition by the company that something had gone wrong with the way the contract was carried out and that the mining interest had suffered as a result of it, and they got together to sort it out.

That kind of thing did not necessarily happen before, and this kind of integration, which can resolve these kinds of conflicts, we have been trying to put into place.

I know the member's leader has been expressing opinions on Hemlo and whether or not the prospecting and developing industry of Ontario felt it received the kind of support from the Ontario government that it merited in bringing Hemlo and other mineral deposits on stream. He has met with a number of mining associations and prospectors in different parts of Ontario.

10 p.m.

I guess he and I will disagree on this. First of all, as Richardson Greenshields reported in its Canadian Research Report of January 1983, in its analysis of the Hemlo find, it indicated that Tom Muir, the geologist with the Ontario geological survey, who did all the field work in 1978, deserved an award for the work he had done. David Bell, who is one of the big three individuals who brought the Hemlo discovery to light—it was John Larche, Don McKinnon and David Bell—David Bell, who is a consulting geologist, made many of his recommendations for a program development in the Hemlo camp based on our Ontario geological survey studies and reports.

I may have the dates reversed, but it is my recollection that the maps of the Hemlo area were produced in 1979 and the field notes were published in 1980. From their personal recounting to me, I know it was those documents that Don McKinnon, John Larche and David Bell used to review the Hemlo area before making a decision to go in and do some further staking and exploration and development work.

I think we fulfilled one of our mandates to the mining industry to provide geological and geophysical information on an open basis to whomever was interested, and they took that and ran with it.

I also disagree with your statement that the initial speculators did not benefit. If you consider John Larche, Don McKinnon and David Bell to be initial speculators, the contractual arrangements they made subsequently, which have been revealed in public documents, show they benefited spectacularly from their initial work.

When they did this work they entered into arrangements or relationships with basically three junior companies, International Corona, Golden Sceptre Resources and Goliath Gold Mines. All three companies immediately applied for and received Ontario mineral exploration program grants, 25 per cent of allowable exploration expenditures. I will not read out the numbers, but I can tell you those three companies all received OMEP grants.

In fact, the Ontario mineral exploration program is funding 14 companies in the Hemlo camp alone—that may be a little off, but about 14 companies—in some of their exploration and development work.

In the earliest stages and at the initial development stage, our programs performed the function they were supposed to perform. There have been disputes that have thrown the development into some uncertainty but I think those are being resolved—and they have nothing to do with our programs; they are just the traditional disputes that arise every time we have a major discovery.

We had the same thing with Texasgulf and Highland-Bell—I think it was Highland-Bell, I am not sure—back in 1968 and 1969 to the north of Timmins in Kidd township. That went all the way to the Supreme Court before it was finally resolved.

The other issue you raised with respect to junior mine financing is an issue to which there are no easy answers. Since I have referred to it before, I just want to quote from an article from the Northern Miner about the Vancouver ex-

change, because sometimes the Vancouver exchange is referred to by your own leader as the mecca and the ultimate answer for junior mining.

Mr. J. A. Reed: Let me clear the record there. I do not think anyone considers the operation of the Vancouver junior mine opportunity is something that should be pulled out and transplanted to Ontario. The viewpoint is, and I think it is a correct viewpoint, that it is the only operating model we have to look at.

When the minister is considering a junior resource exchange and considering bringing it into reality, my suggestion to him would certainly be to take the Vancouver legislation and plagiarise it to whatever extent was suitable. I could envision a junior resource exchange operating within the aegis of the Toronto Stock Exchange, perhaps in the same building, applying the kinds of rules Ontario wants to apply.

I do not think it is a fair statement to say my leader has said Vancouver is some sort of mecca, a be-all and end-all of anything. I think anyone who studies the issue recognizes very quickly that we just do not have very many models to look at.

Hon. Mr. Pope: Maybe I can do it this way. I may have misinterpreted your leader's statements. I am quoting from the Timmins Daily Press of August 23, 1983.

"After meeting with the local branch of the Prospectors and Developers Association earlier in the evening, David Peterson said mining problems were discussed and the branch agreed with the party's solutions. Included were the formation of a junior mining exchange to provide more high-risk financing, plus the introduction of a secretary for the ministry of mines.

"Peterson was particularly annoyed the Hemlo gold camp had to get financing from Vancouver. He said the mining companies were so bound up in red tape they had to leave the province because the Ontario government was a hindrance."

In the throne speech debate of March 29, the member for Essex South (Mr. Mancini)—

Mr. Laughren: This year?

Hon. Mr. Pope: This year—said, "When the people who wanted to develop Hemlo needed money and capital, they had to leave this province." By the way, that is not true in the light of what I said about the Ontario mineral exploration program.

"They had to go to the Vancouver Stock Exchange to raise money to develop the Hemlo gold field in this province. I say shame on the Conservative government of this province. Where was it? Where was the Minister of

Tourism and Recreation (Mr. Baetz) when people wanted to develop the Hemlo gold fields? He was part of the government which said, 'There is nothing we can do.'"

Mr. Laughtren: The minister over there is the problem.

Hon. Mr. Pope: I just want to juxtaposition that with an editorial extract from the Northern Miner dated September 23, 1983. "It has been apparent for most of the summer that the Vancouver Stock Exchange is suffering from a curious ailment. While most other exchanges here and around the world are enjoying a roaring bull market, the VSE has been losing ground on almost a daily basis.

"Promoters, brokers, traders and investors have been left scrambling for an explanation. The two reasons usually given, low gold prices and stock saturation on the street, are only partly responsible. The majority of investors have been blaming the market decline on the amount of 'paper' on the street.

"The number of companies listed on the resource and development boards of the VSE has increased by 20 per cent during the past year to about 1,600. But the street seems to have taken the attitude that a prospect has to match the abnormally good results of Hemlo and Wenatchee before it has merit. Part of the blame can be laid on overzealous promoters and brokers who have led investors to believe they are buying into 'can't miss' situations."

That was the analysis of some of the difficulties of the kind of junior resource exchange that is contemplated in Vancouver and that has been referred to over the past months—and not just by members of your party, in fairness—as the alternative we should be looking to.

I understand you saying tonight that is not necessarily the alternative we should be looking at. We should be looking at a more detailed junior resource exchange that would meet some of these problems.

Mr. J. A. Reed: First, I think that editorial sums it up pretty well when it says there are people who are being led to believe they are buying investments rather than moose pastures. That kind of attitude or that kind of response in the marketplace is not uncommon. It goes back to the days of trading in horses and, maybe later, automobiles and whatever.

10:10 p.m.

The secret in high-risk, speculative ventures, of course, is to maintain a clear understanding that it is, in fact, high-risk and speculative. That

is the beginning and the end of it. That is why there should be a junior exchange separate from the stock exchange.

There are certain expectations one has in terms of the stock market. It has to have a certain base. The use to which a junior exchange is put is to raise money so that further developmental work can occur on these sites and can occur under the auspices of the originating company. That is the reason for a junior exchange.

Let us understand right at the outset that we are not looking at an investment brokerage or anything like it. We are looking at a means of high-risk, speculative buying. That very process is the process which is able to allow junior companies, small companies, to engage in highly intensive, often very fast, development on the sites they own.

The minister does know, I am sure, that when these small independent companies are able to operate and have a bit of a resource base that comes from a junior exchange, they can operate more quickly and very often more thoroughly than a large company. Instead of drilling three holes in an area, they may drill 43 if the financial base is there for them to do it.

If it is a loser, it is a loser; if it is a winner, it is a winner. That is the name of the game. That is the understanding that has to prevail.

One of the biggest mistakes we all make in this business is we try to turn something into something it is not. My own concept of a junior exchange is that when we set up the rules for it, it be set up with that caveat emptor understanding. This is not a world of guarantees. Surely, in a junior resource exchange there are no guarantees. There must not be any guarantees.

That editorial says it better than anything else. What happens there is the attitude changes, the attitude that this should somehow be excellent stuff. If it is not excellent stuff and the buyer does not want to buy it, that is fine, the market does not do it. It is about as simple as that. All we are saying is the opportunity should be there.

Hon. Mr. Pope: As I understand your feelings on this, there should be more relaxed rules?

Mr. J. A. Reed: No, a different set.

Hon. Mr. Pope: A different set. Would you feel the same way with a different set of rules knowing there were no guarantees, to use your words, if a large number of investors lost money and came to you asking for recompense? Would you say there were no guarantees?

Mr. J. A. Reed: You are talking about an entirely different set of criteria.

Hon. Mr. Pope: There are no guarantees and, therefore, do not come to us looking for compensation.

Mr. J. A. Reed: That is right. That is the name of the game.

Mr. Laughren: That is the way it is now on the Vancouver Stock Exchange.

Mr. J. A. Reed: You cannot have it both ways.

Hon. Mr. Pope: No, but is it just resource companies or should any investment be made on a basis that if there are no guarantees then there are more expeditious rules?

Mr. J. A. Reed: We set up rules with guarantees in many areas of endeavour, and those rules or guarantees reflect, first, in the price of the end product and the expected quality of the delivery of the goods or services that are there. We do that in life. We could recreate these sets of rules that people come to understand.

People bring in lemon laws for used cars. We have certain safety standards we set for automobiles and we expect those to be adhered to.

All I am suggesting is that, when you have a particular kind of mechanism for injecting money into something that requires further development, you set it up with a clear set of rules so that understanding is obvious and nobody has any recourse.

When I bought these Wintario tickets this afternoon—

Mr. Sheppard: I bought a book.

Mr. J. A. Reed: Did you buy a book? I bought a book. The show is over and I did not even have a chance to—where the heck are they?

Hon. Mr. Pope: I stole them.

Mr. J. A. Reed: Anyway, when I go and look at my numbers and find out that I have donated my money to research or something, I do not go back to the Ontario Lottery Corp. and say I want recompense.

Mr. Chairman: Some people do.

Mr. J. A. Reed: Just remember that the odds in junior mining are far better than the odds in Wintario.

Mr. Havrot: You are wrong and I can prove that.

Hon. Mr. Pope: As I understand what you are saying, you are saying that, by offering no guarantees, there should be no misunderstanding now or in the future, by the public or anyone in the Legislature, about the listing of that no-guarantee offering on a regulated exchange or commodity market. There should be no mis-

understanding; if you lose your money do not come to the government because there are no guarantees, even though it was registered on a regulated commodity or securities market.

Mr. J. A. Reed: That is essentially what I am saying. I hope you do not twist my words to suit you—

Hon. Mr. Pope: My next jump is the trust companies, by the way.

Mr. J. A. Reed: All right, but the trust company structure is entirely different. There was an act to regulate trust companies, albeit an old one.

Hon. Mr. Pope: To register them.

Mr. J. A. Reed: But listen, you know and I know—

Hon. Mr. Pope: To register them.

Mr. J. A. Reed: If you want to get into the trust companies debate—

Mr. Chairman: We are having enough problems with this debate.

Mr. J. A. Reed: You know very well that the trust companies were dealing in business activities that were outside the original intention of the mandate, and it was the legislation itself that was badly out of date; so be fair.

What I am trying to say is that you can establish whatever set of rules you want for any given situation. If you want to write in a bunch of guarantees you do so, but there are certain consequences on the other side. If you write in certain fundamental rules about rules of conduct and so on, that has certain consequences. It is up to the government.

Mr. Chairman: Why do we not adjourn this?

Mr. J. A. Reed: I am trying to convince the minister that a junior resource exchange is not necessarily a bad thing, provided it is properly structured from the beginning; that is all. I know there are forces that argue against it, but I bet if you get into the investment community and get into your own Ontario Securities Commission and some of those, and start asking quietly what their attitude is towards it, you might be pleasantly surprised.

Mr. Chairman: I would like to break in because I understand there is going to be a vote at 20 minutes after 10, which is almost now.

Mr. Laughren: May I ask a question of the minister since we are not going to be meeting until Monday night?

It is totally out of context, but I understand the minister has a stack of licences on his desk or some desk to be signed and people are up tight.

Your office tells me this. They are hunting licences and so forth. They have been approved and they are awaiting your signature. Do you really sign all those individually?

Hon. Mr. Pope: Sorry, no; can you—

Mr. Laughren: I am serious. Your office tells me. I will be very specific if you want. There is a person in Gogama who has been told that his licence to sell licences has been approved.

Hon. Mr. Pope: Licence issuers?

Mr. Laughren: Yes, that is what I meant; perhaps I am not putting it well. It has been approved but it has been sitting for two months in your office.

Hon. Mr. Pope: All I can say is if you will give me the name I will find out what is going on.

Mr. Laughren: Conrad Simoneau.

10:20 p.m.

Hon. Mr. Pope: All I can tell you is that by the

end of the day I usually have my desk cleared in terms of signing back through the process.

Mr. Laughren: There is something wrong in communications there.

Hon. Mr. Pope: For the last couple of years I have not had a hidden drawer of things I want to think about.

Mr. Laughren: Right. Your office told me that. I can even give you the name in your office if you want.

Hon. Mr. Pope: I would not mind, because I really—

Mr. Laughren: They said it has been approved for some time now but that it needs your signature, and in the next couple of weeks. In the meantime I just want to know.

Hon. Mr. Pope: I will find out for you.

The committee moved to other business at 10:21 p.m.

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Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Estimates, Ministry of Natural Resources

Fourth Session, 32nd Parliament

Monday, May 28, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Monday, May 28, 1984

The committee met at 8:03 p.m. in room 151.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

The Vice-Chairman: I call the meeting to order. At our last committee meeting, the member for Cambridge, Mr. Barlow, was in the chair. We have a statement from him which I have been requested to read, if you will all bear with me.

"At our last committee meeting on Thursday, May 24, 1984, I undertook to review the precedents relating to the committee's authority to call witnesses, with particular regard to two motions before us.

"Mr. Reed had moved, 'That the Minister of Natural Resources be required to bring with him those people in the ministry that the members of the committee consider important to the passage of the ministry estimates'.

"Mr. Laughren then proposed an amendment specifying the witnesses the committee would request to appear.

"Before ruling on the two motions, I would like to place them in the context of this committee's authority. This committee has the power, granted by the House to all standing committees: that is, the power to examine and inquire into all such matters as may be referred to them by the House, with power to send for persons, papers and things, as provided in section 35 of the Legislative Assembly Act'.

"Section 35 of the Legislative Assembly Act reads as follows: '(1) The assembly may at all times command and compel the attendance before the assembly or a committee thereof of such persons, and the production of such papers and things, as the assembly or committee considers necessary for any of its proceedings and deliberations.

"(2) When the assembly requires the attendance of a person before the assembly or a committee thereof, the Speaker may issue his warrant directed to the person named in the order of the assembly requiring his attendance before the assembly or committee and the production of the papers and things as ordered.'

"In short, the committee may invite or request witnesses to appear; only the House may 'require' and 'compel' their attendance.

"In the case of estimates committees, the authority to call witnesses is limited by established precedent to those witnesses who receive direct funding from and provide a service for the ministry whose estimates are being scrutinized. As was stated on June 3, 1980, by Murray Gaunt, MPP, then chairman of the standing committee on social development: 'In the best sense of parliamentary tradition, ministers and staff come before an estimates committee as supplicants seeking approval for expenditures and programs for which they have responsibility.'"

Interjections.

The Vice-Chairman: "They are applicants for money. The relevant question is, 'Shall the vote carry?' Therefore, the committee's responsibility is to judge if this money has been or will be spent wisely.'"

I continue, quoting the honourable Murray Gaunt, MPP: "In my view, any evidence that is relevant to that question, whether from the minister, staff members, or whomever, is proper material to form the basis of discussion and consideration. The question is how such evidence should be presented to the committee. Any information the committee can obtain to assist in its work shall be encouraged. The calling of witnesses could be helpful, provided that such a call meets two criteria.

"Any witness called, or his representative, must be receiving public money directly, and be involved in providing a service funded under a program provided by the ministry under discussion. Secondly, any such call shall only be dealt with within the time allocation provided...by the Legislature.'

"As Chairman Gaunt's statement makes clear, this committee does have the power, by a vote of the majority, to call civil servants as witnesses. And, as was stated by the Ontario Law Reform Commission's Report on Witnesses before Legislative Committees:

"Sections 35 and 45 of the Legislative Assembly Act...do not distinguish between categories of witnesses; as a matter of law, all witnesses who are called to appear, and do appear, before a legislative committee, are treated alike.'

"To return to the two motions before this committee, I must rule the motion as set out by

Mr. Reed out of order. As previously stated, there is no provision in our rules for committees to 'require' the attendance of witnesses; only the assembly has that power. Neither is there any provision to require one witness to produce other witnesses. Finally, the phrase, 'those people from the ministry that the members of this committee feel are important to the passage of these estimates' is vague and gives no meaningful direction.

"Mr. Laughren's proposal, on the other hand, would be quite in order if moved as a main motion in that it 'requests' specific people to attend. I would therefore invite a further motion from the floor."

Gentlemen, that is the ruling.

Mr. Sweeney: I say bring Murray Gaunt back.

Mr. Laughren: If I might, Mr. Chairman, I would move my amendment to Mr. Reed's motion, which I supported, as a separate motion.

Do you have the wording there? I think I have it here.

The Vice-Chairman: I believe our clerk has it.

Mr. Laughren: I think I can find it. I have it here.

8:10 p.m.

The Vice-Chairman: Mr. Laughren moves, seconded by Mr. Stokes, that the following Ministry of Natural Resources personnel be requested to appear before the standing committee on resources development during the debate on the estimates of the Ministry of Natural Resources:

Mr. Kenneth Armson, executive co-ordinator, forestry resources group; Mr. Doug Drysdale, general manager, Ontario tree improvement and forest biomass institute; Mr. Michael R. Garrett, director, conservation authorities and water management branch; Dr. Martin F. Walmsley, science adviser and energy co-ordinator; Mr. James E. Finlay, executive co-ordinator, mineral resources group; Mr. G. A. McCormack, assistant deputy minister of northern Ontario; Mr. Ted Wilson, director, office of Indian resource policy.

That is the motion as you have presented it, Mr. Laughren. It is now being recorded as the main motion and not an amendment to Mr. Reed's motion that was ruled out of order.

Mr. J. A. Reed: Mr. Chairman, I would respectfully ask you, considering that my motion was ruled out of order because it did not name names, perhaps I could amend Mr. Laughren's

motion by adding the name of Mr. Marek to that particular motion.

Mr. Stokes: He is no longer a member of the ministry.

Mr. J. A. Reed: He was paid by the ministry to do a study, was he not? Does that not render him eligible? Who was he paid by, if he was not paid by the ministry? I am confused.

Mr. Sweeney: Excuse me, Mr. Chairman, you made a reference to someone being paid. Could you repeat it for us?

Hon. Mr. Pope: Can I just make it easy for you? He has not been in the employ of the ministry since the end of April, and his report was done last year.

Mr. Sweeney: He is not currently in the ministry?

Mr. Laughren: He had nothing to do with what is on this table, right?

Hon. Mr. Pope: That is right. It is not the 1984-85 estimates. That has never stopped you, but go ahead.

Interjection.

Hon. Mr. Pope: No, you have it, so what is the difference?

Mr. Laughren: Well, there may be someone else who wants to read it. I am not selfish.

Hon. Mr. Pope: Offer them a copy.

Mr. Laughren: Table it.

The Vice-Chairman: Okay, it is in the Murray Gaunt ruling. It is in the third paragraph of that ruling—by the way, I have a copy of that—and it states: "Any witness called, or his representative, must be receiving public money directly or be involved in providing a service funded under a program provided by the ministry under discussion. Secondly, any such call can only be dealt with within the time allocation provided."

I think the first statement here kind of covers that: "...receiving public money directly or be involved in providing a service."

Mr. Laughren: An open ministry would invite him.

Hon. Mr. Pope: An open ministry asked him to do the report.

Mr. Laughren: This one will not.

Hon. Mr. Pope: An open ministry asked him to do the report.

Mr. J. A. Reed: Mr. Chairman, would you be kind enough to provide us with copies of that statement Mr. Barlow composed? Could that be done?

Mr. Sweeney: It will be in the Hansard anyway. It is just a case of getting it ahead of time, that is all.

The Vice-Chairman: I believe that could be arranged.

Mr. J. A. Reed: I appreciate it. I think from what you have said, if Mr. Marek were working today he could be asked to appear, and if he stopped work yesterday, he could not be asked to appear.

The Vice-Chairman: That would seem to be the gist of what I read, as common layman's language. I can repeat it again: "...must be receiving public money directly, or be involved in providing a service funded under a program provided by the ministry under discussion."

Mr. J. A. Reed: That is a very convenient loophole.

The Vice-Chairman: It is a precedent, and it has been set out by the honourable Murray Gaunt.

Mr. Stokes: I do not want to be difficult about this, but I have a very definite recollection, during the Re-mor and Astra Trust hearings, of a committee of this assembly asking a variety of people, who were not actually employed by this assembly, to make themselves available with papers and things. They were people who had knowledge of what had gone on.

I can recall, in a previous incarnation, where I was asked to issue a Speaker's warrant for the appearance of people who did not even live in the city. I think one of them was a senator.

I declined to carry out the request to issue a Speaker's warrant for the presence of that person, on the basis that he enjoyed parliamentary immunity in another place.

The committee that requested me to issue a Speaker's warrant was obviously fully aware of that ruling. I fail to see the difference between asking to appear a Mr. Marek, who has recently retired, and another gentleman, who will remain nameless, who was employed in Ottawa at the time and who was certainly not receiving funds from an emanation of this government or level of government.

Perhaps the clerk—and I do not want to put you on the spot, Mr. Arnott, but this was obviously researched in the clerk's office for delivery by Mr. Barlow. Why was there that difference between the Re-Mor and Astra hearings and the summoning of people, papers and things, when this ruling you quote from Mr. Gaunt is restricted to someone who is presently in the employ of an

agency, board or commission of this government?

The Vice-Chairman: With all due respect, Mr. Stokes, as I see it, we are dealing with estimates from a ministry, a ministry of this—

Mr. Stokes: So you differentiate between types of committees, then? Is that what you are saying?

The Vice-Chairman: This is a standing committee to assess the requirements of a particular ministry, when the other was literally doing a rather in-depth investigation of a situation which had occurred over a period of time, and I would beg to differ that this is a totally different situation.

Mr. Stokes: A different kind of committee? Is that what you are basing your ruling on?

The Vice-Chairman: I would say so, yes.

Mr. Stokes: All right.

Mr. J. A. Reed: You know, what you are saying, Mr. Chairman, is that, in these estimates, we are somehow, by that ruling, precluded from an in-depth investigation of the expenditures of the Ministry of Natural Resources.

Hon. Mr. Pope: No.

The Vice-Chairman: I do not believe you are precluded from anything. The minister we have before us answers for his ministry, and I believe he has a fairly thorough knowledge of his ministry.

Mr. J. M. Johnson: Just on a point of clarification, it was always my understanding that, at estimates, the ministry had staff available on occasion to answer questions, but only if the minister called the staff. I do not think that any member of the committee had the right to call up the staff to answer—just a minute.

Mr. J. A. Reed: No, the chairman has just ruled that they did, that this committee does have that power and he has accepted Mr. Laughren's motion.

The Vice-Chairman: Yes, and we are getting—

Mr. J. M. Johnson: Let me finish what I was going to say. It was my understanding that, during the estimates, if the minister did not wish to answer questions himself, or if he wished to have further clarification, he would ask a member of his staff to come forward to present that clarification for the benefit of the committee.

If the minister proposes to do that himself, I think it is a different ball game. Whether you accept it or not is the question.

I am not sure. If, as the chairman has ruled, the committee decides that an individual should be brought forward for whatever reason, then I think that it would have to be on the particular topic we are talking about. However, to bring seven, eight, or 10 people here, without any indication of why they are coming, and without the minister being able to respond, I am not sure I can go along with that.

Mr. Laughren: I never doubted that.

The Vice-Chairman: Please, gentlemen. Let us address the motion as Mr. Laughren has put it forth. Mr. Lane?

Mr. Lane: I appreciate what is being said here. I know most of the people on this list and have high respect for them, but I think we should call these people only if the minister or the deputy minister cannot satisfy us with the answers to our questions.

Mr. Laughren: Where have you been in the last three years, John?

Mr. Lane: I have been here.

Mr. Laughren: Yes, and you have heard the truth according to Pope, and only the truth according to Pope.

The Vice-Chairman: Any more discussion on the motion we have before this committee right now?

8:20 p.m.

Mr. J. A. Reed: Yes. This is, in fact, the only ministry that has chosen not to call its staff on the broadest possible base. Every other set of estimates that goes on in this Legislature does so most often after the minister consults with the committee, and asks them whom they would like to have and what subject areas they would like to have covered.

That has been the tradition of this Legislature, as I remember. Maybe, if we go back into history, I am sure the minister can point out precedents for the minister bringing only his deputy to this committee.

I have no reason to dispute that, technically, the minister is quite in order doing what he is doing. I can tell you, however, that in the practice of this Legislature, and in the spirit of an open government in Ontario, it has been the practice of this government to produce all and any staff of any ministry.

The minister would ask us: "Who do you want? Who is it?" He would simply direct his deputy to contact the people who could most directly answer the questions or deal with the subject areas in which the opposition was most interested.

In spite of the minister's concern that this is a political forum, and that his staff is going to be subject to political questions and questions with political overtones; I repeat once again that this is, in fact, a political forum. That is the way the game is played here, for anyone who is not familiar with it, and that is the way it has been during my experience in this Legislature.

To suddenly see the lid go on, and to see us return to the Dark Ages of secrecy—

Mr. Kells: Ask him what he wants.

Mr. Lane: Come on, come on. Who are you kidding?

Mr. J. A. Reed: Listen, my colleague in the New Democratic Party has specified what he wants—

Interjections.

Mr. J. A. Reed: I kept my motion general enough so that we could bring people as we needed them, and as we thought we needed answers to specific questions. He has been more specific. He is in order, and I am not in order, and I am certainly prepared to accept his motion—

Mr. Kells: The minister will give you all the answers you want.

Mr. J. A. Reed: —but to suggest for one minute that this practice is in the spirit of open government—gentlemen, I have news for you.

Mr. Kells: Where do you think you are playing?

Mr. Lane: Before I was so rudely interrupted —we still have the right to call anyone we want before this committee, if and when the minister or the deputy cannot answer our questions. What more do we need?

The Vice-Chairman: Okay, do we face the question? We have the motion before us. Do you want me to read the motion?

Those in favour of Mr. Laughren's motion, please raise your hands. We have four people in favour.

Those against Mr. Laughren's motion? We have six people.

Motion negatived.

Hon. Mr. Pope: We were just developing a line of discussion with respect to junior mining, and I think my Liberal critic was discussing a junior resource exchange concept. We had started to discuss some of the background of it and I wanted to wrap up and put on the table a few other thoughts about some recent progress, although I am not responsible for the Ontario Securities Commission or the Toronto Stock Exchange.

Because of the interest in the mining community, particularly amongst prospectors and developers, I wanted to talk about some recent changes with respect to junior mining, from the beginning of 1983, and where I sense things are going right now.

In March 1983, partly in response to some of the comments surrounding Hemlo, the Toronto Stock Exchange initiated a new procedure to allow junior resource and industrial companies to make their initial public offerings through the exchange facilities, where their disclosure documents are called the exchange offering prospectus.

The Toronto Stock Exchange also started to negotiate with the Ontario Securities Commission to find ways of speeding up the review process for disclosure documents. The concern was the length of time and the cost required by the Ontario Securities Commission disclosure requirements, geological and geophysical work that had to be done in order to appear in the prospectus so the prospectus would be accepted by the Ontario Securities Commission as a junior resource offering.

Also, the Toronto Stock Exchange was interested in eliminating the Ontario Securities Commission's arbitrary ceiling of \$5 million on issues, using this exchange offering prospectus procedure.

Through 1983, until the end of September, eight junior resource companies, including six junior mines, used the process to raise a total of \$12.5 million through issues ranging in size from \$400,000 to \$5.2 million. Those who were involved in it in 1983 felt that the process could work and that it was an improvement over the old process.

A lot of work was being done at that time by the Toronto Stock Exchange in order to make the process work a little better, but neither the Toronto Stock Exchange nor the Ontario Securities Commission supported, or supports now, the deregulation of the penny stock kind of issue to the extent that it exists in British Columbia. I do not think you were saying that either, by the way, but, to the extent that it exists in British Columbia, they were opposed to it.

I indicated some of the problems, as raised by the Northern Miner in its editorial—some of the problems that arose because of the disclosure provisions, or absence of them, in the Vancouver Stock Exchange.

We think that process does offer some assistance to the mining industry. We do not think it is necessarily the complete answer yet; it

is something that still has to be worked upon by the Toronto Stock Exchange and the Ontario Securities Commission in concert with the prospectors and developers and some of the mining industry.

However, we sense, since 1983, a willingness to make some improvements, while not relinquishing our requirements for some degree of disclosure with respect to the geological potential of these properties as they are being marketed.

They are now working on trying to find a balance between responsible securities regulations and some attractive process to attract the junior mining companies back to the Toronto Stock Exchange. A number of companies and myself have been involved with the Ministry of Consumer and Commercial Relations trying to explore those kinds of problems.

We think we will make improvements in the length of time of processing and we will make some improvements, I think, in disclosure provisions, but we are reluctant to go as far as the Vancouver Stock Exchange has because of the problems we see. We have gone from Windfall over to one end and we do not want to go back to Windfall. I guess that is what we are saying.

Mr. J. A. Reed: Are you going to give the broker-dealers status in the Toronto Stock Exchange?

Hon. Mr. Pope: That is not our decision, it is the exchange's decision. Certainly we are trying to get them to open up the doors a bit more than they have in the past but I cannot, at this time, say that that would be a conclusion. It is one of the issues that the Ontario Securities Commission and the Toronto Stock Exchange are trying to wrestle with.

8:30 p.m.

Complicating it, of course, is the futures market and how that is developing as a major investment forum, as opposed to the regular listings under the Toronto exchange, and we are trying to grapple with that at the same time. Probably as much money is going into the futures market and future calls for contracts as is going into the direct investment in company stocks at the present time.

Mr. J. A. Reed: Your comments would indicate that the Ontario Securities Commission is not too amenable to the idea of a junior resource exchange, although some information that has been given to me would indicate the contrary.

Hon. Mr. Pope: No, I think what I was saying is that we have been discussing some detail of it.

There are a fair number of other things that the mining industry is looking for in incentives that involve the Toronto Stock Exchange. I think it is too early to say, one way or the other, what the conclusion is going to be, really.

Mr. J. A. Reed: Do we have anything called a time line or an objective here, or is this simply a discussion process that may or may not evolve into anything over the next 10 years?

Hon. Mr. Pope: No, I think the recent changes that were made in 1983 resulted in the opening up of the processes with those eight companies going in, and there are more going in this year. I cannot tell you what the time frame of the securities commission is.

Mr. Stokes: How do you equate that with the predicament that Peat Resources of Ontario found themselves in when they were trying to develop a prospectus that would be compatible with existing regulations being laid down by the Ontario Securities Commission, and their need to have some assurance that that company was given a licence or an option to explore peat resources that would give an investor, assuming the company went public, some assurance that there was a resource out there available for them to develop?

You know the problem they have had in getting the proper kind of authority from your ministry to go out, on an option or on a licence or some form of authority, to indicate that they had the right to explore the potential of a resource. How do you equate what you have just said about junior mining companies with that particular situation?

Hon. Mr. Pope: I guess the problem I had with that was that I saw very little evidence of actual work being done on the ground.

I felt that the offering of that particular company was based on the fact that they had applied for the licences for most of the identified peat resource areas in the province, and had indicated that they had a work program. However, the reality was that they had not entered upon the properties whatsoever in the year 1982, which was prior to their public offering.

My concern was that all that would be happening was that there would be no geological or geophysical work done on the properties to indicate the extent of the resource, but that the prospectus would be going out to the public, just on the basis that they had tied up the rights to use or to lease those identified peat areas.

Our initial relationship with that company specified, in 1982 and part of 1983, that they would enter upon the properties and do a

development and exploration program. When they had not done it, I became nervous as to what they were really going to be offering if the offering went through the securities commission. After a lot of discussion with staff—

Mr. Stokes: So it was a case more or less of satisfying you, as the minister responsible for the resource, rather than satisfying the regulatory authority, that is, the OSC?

Hon. Mr. Pope: Yes, that is right.

In that instance they requested that the majority of the identified peat areas in the province be licensed to them, at least for exploration and development work. We felt that their track performance on what they had already acquired the year before was such that we did not want them going to the public just with this, and with some promise that had not been fulfilled in the past, that they would do a work program.

We then withheld approval of the issuing of the leases. That had the effect of undermining the statements of fact that were in the proposed prospectus. So you are right, the problem was really in our ministry as opposed to the securities commission.

Mr. Stokes: I just wanted to clear that up in my own mind.

Hon. Mr. Pope: Yes, and there was quite a bit of discussion and letter writing about the whole issue.

Mr. Stokes: There still is, as you well know.

Hon. Mr. Pope: A lot of people who did not know the background to it were concerned that maybe we were embarking on a new course of trying to prevent development by companies—and it is an important resource that should be looked at.

The public should be involved in bringing some of the projects on stream, but we just felt the conditions there made us nervous. I do not think it was anything intentional, by the way. I just think it was that they had not got the initial program off the ground and it was too early to issue the other leases. But we were concerned about it, as well.

Mr. Stokes: Are you still answering Mr. Reed, by the way?

Hon. Mr. Pope: Yes.

The Taylor report: information I have leads me to believe that some conservation authorities are talking to municipalities. What I propose to do, although I have not said it to anybody yet, is to ask municipalities to have an open meeting with the members of the public as well as the conservation authority, if they would like to

attend, to discuss the Taylor report, before reconfirming whatever initial positions they might have taken on it.

If they have open public discussions, I think some people who have real concerns about the conservation authorities' reaction to the Taylor report will have a chance to be heard. That is what I am proposing to ask the municipalities to do before I finally accept their position on the Taylor committee report.

I broke down the Taylor committee report into three subject areas of recommendation. The first was the flood plain criteria, in which the one-in-a-hundred was one of the most important issues. The second was the way in which the conservation authorities carried on business, whether or not they had public agendas, whether the public could look at the engineering reports, things like that. The third was the role of the conservation authority in flood plain management and planning.

As I understood the Taylor report, that third item had an unexpressed divergence of opinion. They felt that the municipality should be more involved than it was before in policies with respect to flood plain management, and that the nitty-gritty, day-to-day stuff could still perhaps be handled through an approval process in the conservation authority, but they would be implementing provincial policy approved by the municipalities, with some municipal input or wrinkle into the policy formation based on local, basin-wide conditions.

So there were those three elements of the Taylor report. In my statement to the House I tried to indicate that we would be prepared to accept the one-in-a-hundred criterion, as long as the vast majority of the municipalities in the basin agreed to that change, that downgrading of criteria in most instances, and the actual recorded flooding history did not exceed once in 100 years.

That would mean that even if Metro Toronto Region Conservation Authority, even if all the municipalities in Metro Toronto in the Humber watershed, were found to have one-in-a-hundred, we would not accept that because Hurricane Hazel actually occurred in the Humber. That was where the recorded flood exceeded the one in 100 years.

On the other hand, if, in the Niagara region, you had a 50-50 split in municipalities going from Hurricane Hazel down to one-in-a-hundred, then we probably would not agree to change the criteria. That will not happen. That is my reading of it.

Mr. J. A. Reed: I hope, minister, when you are making those differentiations it is made very clear that the impact of Hurricane Hazel in many watershed areas was less than the one-in-100-years flood.

Hon. Mr. Pope: In the Niagara region it never occurred.

Mr. J. A. Reed: Yes. And even 20 miles farther west in the Credit River valley, I do not know that Hurricane Hazel ever exceeded the 100-year flood level, while it certainly did in the Humber.

8:40 p.m.

Hon. Mr. Pope: A second point. The chairman's committee of the conservation authorities had already been working for the last two years at my request on what we call a generic regulation. In the generic regulation there was going to be public notice of agenda 48 hours in advance, made available at city hall or available on request, the public being able to attend the meeting, the engineering reports and technical documents on file being made available for public inspection, these kinds of things.

I indicated in the Legislature, in response to the Taylor report, that we would move ahead with those generic regulations. In fact, they are being worked on now.

Addressing the role of the executive committee versus the full authority in decision-making, there is no doubt that some conservation authorities with 50 and 60 members are unwieldy. In Toronto, Kruger reviewed the conservation authority structure and recommended a change in the number of members from 59—somewhere around 59—down to 27 or 28 to make it a more efficient or effective working group.

If it was done in other authorities, that would allow you to do away with the executive committee structure, which resulted in the executive committees in some instances making decisions, decisions being implemented and the main members of the conservation authority being advised in due course. We are trying to get that decision-making process back to the entire authority, not have it concentrated in executive committee structures.

Mr. Stokes: Why do former deputy ministers always become chairmen of the Metropolitan Toronto Conservation Authority?

Hon. Mr. Pope: This one was involved in the Kruger report on reducing the size. There are some problems with the reduction in size, particularly with respect to representation from some of the outlying townships.

Also, that particular conservation authority is going to end up with responsibility for waterfront development in Metropolitan Toronto, which is going to involve all three levels of government. It is going to be a very difficult process, because we already have jurisdiction over the streets between Metro and the city, over ownership in future programs. It was my feeling that he would be the person I could work with, who would have enough experience in the way these things operate to be able to handle the waterfront development program. So I guess it was my assessment. I was not involved in the last one that I can recall.

Mr. Stokes: Your predecessor was involved in that.

Hon. Mr. Pope: I think so.

Mr. J. M. Johnson: Minister, just on the structure of the conservation authority. I have five conservation authorities in my area and many of them are restructured. But one, in particular, is not. They are in a very vocal area in the northern part of the peninsula and they refuse to restructure county council for the same reason: they do not want to diminish the input from individual municipalities. They are very opposed to restructuring to lower the numbers.

I am not sure that it makes all that much difference. I understand what you are trying to do and I support the concept, but if you seem to be depriving some of the municipalities of a say, is it that important that we really have to push them into restructuring?

Hon. Mr. Pope: No, the position I tried to take, which I have indicated to the conservation authorities, is that I will not force restructuring on them. In Metro Toronto there was widespread approval for restructuring. I think in many conservation authorities there is a recognition that efficiency dictates a restructuring and they have municipal support. I also acknowledge that in some regions, there is no way, given the past history of some of the problems, that they are going to agree to it. We are not going to ram it down their throats.

I think it is equally important that municipalities may not be having a say—and I cannot speak to your particular one—because they may find that executive committees are making all the decisions, because of the size of the authority, the number of authority members there are. It is trying to get municipalities to have a say in it that is really dictating some of the changes.

Mr. J. M. Johnson: We have one—

Mr. Stokes: On a point of order, we are getting off the beaten track. I understood that the minister was answering the opening comments of Mr. Reed.

The Vice-Chairman: He is.

Mr. Stokes: If we continue with this line of questioning, and I must admit I was a party to it, Mr. Laughren is never going to get to make his own statement.

The Vice-Chairman: That is right. He is not going to get a chance to make his statement. Please, minister—

Interjection: That may be the idea.

Hon. Mr. Pope: No, it is not. In fact, there is just one last point and then I will come back to answering Julian after you are through.

The last point on the conservation authorities was that the most difficult part of the recommendations is what role the conservation authorities, versus the municipalities, should have in the local planning mechanisms. It is something that has not been addressed in the past history of conservation authorities and flood plain management.

As you know we started back in the 1960s with Ontario regulations which designated cut-and-fill areas. You had to get approval of the conservation authorities to fill. They had conditions that you had to cut away if you were going to fill.

In the mid-1970s we had something I was caught up in in the city of Timmins, that is the hazard land designation. All areas within the flood line as mapped became hazard land. There was some pressure on the municipalities to adopt the hazard land concept. We had a big Ontario Municipal Board appeal in the city of Timmins in 1978-79 with 250 objectors to the hazard land designation.

It came about, by the way, because the city was doing a whole new official plan and zoning bylaw. A one-tier regional government system was started in 1972. It had taken them six years to do their new official plan and zoning bylaw. This happened to fall into it during the process.

As a result of that Ontario Municipal Board hearing and other hearings that were going on around the province, we ended up in 1979 with a two-fringe concept: actual floodway and lands prone to flooding, with removal of some of the restrictions on the fringe, but not in the floodways. We are evolving beyond that now to a re-examination of criteria on how the conservation authority and municipality can work to-

gether without having the conflicts you have from time to time.

Quite frankly, I still have not sorted that out. I do not have the knowledge to sort out those issues, but I know that the Ministry of Municipal Affairs and Housing is reviewing the Taylor committee report and how it might impact on planning processes. By the end of June I think we will have a lot of comment in from municipalities, conservation authorities and Municipal Affairs and Housing.

Mr. J. A. Reed: Minister, I do not want to belabour the subject and I want Mr. Laughren to have every opportunity to make his opening statement, but I have to impress just one thing upon you. The reluctance to be flexible—

Mr. Stokes: This would come under the third vote.

Mr. J. A. Reed: Yes. Okay. The reluctance to be flexible on the part of conservation authorities regarding the flood plain and what constitutes the second fringe, or whatever it is, revolves around a concept, mistaken or otherwise, that somehow if the authority issues an approval for the building of a structure or something in the flood plain, then somehow it assumes a certain amount of liability for it. I do not know whether that is a legal concept, or if it has any basis in legality, but it certainly has in the minds of conservation authorities.

If you just come out our way and sit in and look at the callisthenics the authority has gone through trying to get itself off what it considers to be the hook, when the very simple solution would be to make the owner of the property liable for his own actions and to have that understanding. That would clarify an awful lot.

Hon. Mr. Pope: Yes, I know what you are getting at. That has not been the history and conservation authorities have been around for a long time. I do not recall a law suit ever being brought against the conservation authority for approval being given to build in the flood plain. Generally if there is flooding damage, they come to the province for flood damage assistance. I think it is the Ministry of Intergovernmental Affairs to which they generally make their submissions.

8:50 p.m.

Mr. J. A. Reed: When you have new development in a flood plain, surely the owner, builder or creator of the thing should be able to assume responsibility. If I am a farmer and I need to build a barn in the flood plain but the thing gets wiped out next spring, I am not going to go

crying to you or the conservation authorities saying, "You gave me approval and now the flood came and ruined our barn." But that is the attitude.

Mr. J. M. Johnson: Mr. Chairman, just before we move on, when are we going to get to flood plains—

The Vice-Chairman: We will get to it right after Mr. Laughren has made his statement.

I thank the minister for responding to Mr. Reed. Could we have an opening statement by Mr. Laughren please in response to the statement from the minister.

Mr. Laughren: Thank you, Mr. Chairman. It is good, on this third evening of the estimates debate, to take part in it.

The Vice-Chairman: You have 10 minutes!

Mr. Laughren: In the hopes of setting a proper tone for my remarks, I will quote: "The ministry swindles the public, applies total fictional wood volumes to an area and tells the companies to go to it." That was Mr. Marek, in the Thunder Bay press.

Hon. Mr. Pope: Yellow journalism.

Mr. Laughren: You call it yellow journalism.

Mr. Chairman, since the last estimates debates, which were in the latter part of 1983, not only has nothing changed, I think the ministry is digging in a little deeper and making the bunkers a little higher.

We have had no attitudinal changes from the ministry. The minister still wants to come before the committee and give us the truth according to him and no one else. That is a very disturbing attitude in a democratic society. It is not appropriate that he simply says, "I am responsible, therefore I provide the answers."

We have had those answers for three years in a row now. While the minister might want to dismiss my criticisms because I happen to be an opposition politician, surely he is not going to dismiss absolutely everyone who is a critic. Yet that is what the minister seems to be doing. No one has any legitimate criticism. It really is scary to see the minister's attitude towards the opposition.

I do not want to be high-schoolish about it, but even in high school they teach one the fact that the opposition is Her Majesty's loyal opposition, and that it is there for a purpose and it makes the democratic system work. A good opposition makes government stronger.

I see the attitude of this minister as refusing to provide information, refusing to give us access to the senior decision makers in his ministry.

Despite the fact that the minister has a good memory, that does not mean he has all the answers in a broad ministry with the depth of the Ministry of Natural Resources. That is why the Liberal critic and I, for three years now, have said that we have a right to talk to more people.

I quoted from an article. I do not mean to say that because that article appears, that means the minister is wrong in everything he says and that we are right in everything we say. The point is there is legitimate criticism out there.

Despite what you might think of a recently retired forester, that does not mean his view is not a legitimate view that is held out there. There are a lot of people in the province who regard with a great deal of suspicion what is going on in the forests of this province because—I will tell you why—everything they read out there is the same. There are problems in the forest. You can go back to the 1940s; ever since then every objective reporter of the forest—

Mr. Stokes: C. D. Howe started it in the mid-1920s.

Mr. Laughren: There you go, 60 years.

Hon. Mr. Pope: Who asked for the full report?

Mr. Laughren: I am glad you asked that question. The minister asked George Marek to do a report on the forests. So he does a report on the forests and what does the minister do? He will not table the report. You can ask every forester in Ontario—

Hon. Mr. Pope: That information is—

Mr. Laughren: Let me finish—to give their view of forestry in Ontario, then you sit on those reports. What good does that do? Does that make you some kind of—

Mr. Stokes: Pope.

Mr. Laughren: —Pope? What does it prove if you are commissioning these reports and you do not let anyone else see them? That does not mean you are prepared to be objective about the state of the forest.

Hon. Mr. Pope: Do you think I did not know you would get the report?

Mr. Laughren: I do not know, I got it from your ministry.

Hon. Mr. Pope: Come on, I knew you would get it. Who are you kidding?

Mr. Laughren: I got it from your ministry; I did not get it from Mr. Marek. But then there was some dismay expressed that I had actually got it from your ministry. Why will you not table the report? When do you respond?

Hon. Mr. Pope: When I am ready to deal with it.

Mr. Laughren: I see. It is the same thing with Mr. Bird's report on forest utilization. Whenever you are prepared to table it, you will table it in your own sweet time. Despite the fact these reports on the public forest are paid for with public money, you will decide when the public should have access to them. That is what is so offensive about this freedom of information bill that has been brought in. You were the minister formerly responsible for freedom of information. That is probably why you behave the way you do.

Anyway, I wanted to talk first—not about forestry; I do not want to get sidetracked by a provocative minister. I wanted to talk about mining before we go on to forestry.

The minister will know these are boom times for some mining communities and very difficult times for others. We need only compare what is happening in Sudbury to what is happening with the Hemlo development or the Detour Lake development.

I would remind the minister that Sudbury was once like Hemlo and like Detour Lake, a boom town. We now have very serious problems in that community. We have 17,000 unemployed people in our midst in the Sudbury basin. That is more than the number of people employed by Inco and Falconbridge combined, to give you a sense of the enormity of the problem.

We well understand the problems of world markets and the price of nickel on the metal exchange and so forth. We also understand the increasing mechanization of the industry and what that means for the work force. We understand those things, but we do not understand why this government refuses to deal seriously with the problem.

In the Sudbury basin, the future was clearly predictable back in 1977 and 1978 when the first major layoffs were announced. There was even a select committee of this Legislature appointed. Since then, there has been no major commitment made by this government to rebuild the Sudbury basin economy. There have been some initiatives—Science North—but that is not building on the industrial base in the Sudbury basin. That is what is so desperately needed.

There is a crying need from some leadership from the two senior levels of government. The regional municipality simply does not have the resources to do it. That these mining communities do not have the resources they should have, is, in itself, a damnation of the government's policies.

I would ask anyone to tell me what community in the world has had a richer resource base than the Sudbury basin. You cannot study resource economics without reading about Sudbury. Now we have this incredible problem with the unemployment rate.

9 p.m.

There has been no shortage of suggestions. The regional municipality put together a report in which it made some suggestions. The member for Sudbury East (Mr. Martel) and I prepared a document called *A Challenge to Sudbury*, which we thought laid out some very reasonable proposals. What has us worried even more than the present status of Sudbury's economy is what the experts are predicting.

A federal report was done very recently. I have been able to read only the press reports on it. I have ordered a copy, but I do not have it yet. It is called *Canada's Nonferrous Metal Industry, Nickel and Copper, A Special Report, 1984*. According to the press reports, Canada's nickel and copper producers and the communities dependent on them are in a more vulnerable position today than at any time in their history. I assume that goes back to 1977, 1978, 1979, 1980 and so forth. If that is true we are heading for trouble in the Sudbury basin.

Those kinds of reports are very disturbing. I cannot help but wonder what the ministry does. I know the ministry can say: "Look, we are just the Ministry of Natural Resources. We are not the Treasury." Surely to goodness Sudbury is a mining community first and foremost. I do not think it appropriate that this minister can look the other way and pass the buck to the Treasurer (Mr. Grossman). The Minister of Natural Resources has a greater responsibility than that.

Sudbury has given so much to this province; I do not know of any community that has created more raw wealth than has Sudbury in the last 100 years. Yet one need only look at the treatment Sudbury gets compared with, for example, the treatment Canadian Pacific gets when it decides it would like to expand its operations through Steep Rock. The minister can then hardly wait to throw a million dollars at it.

Canadian Pacific is one of the largest corporate enterprises in the country and the minister can hardly wait to throw money at it. If he wants to get into that issue later, I would be quite happy. Steep Rock has not behaved, through Canadian Pacific, in a way I think the minister should be proud of. Canadian Pacific stripped the treasury of Steep Rock and then applied for a grant from the Ministry of Natural Resources. Yet the

minister could hardly wait to get in line to hand out taxpayers' money to Canadian Pacific Enterprises Ltd.

It is not as though the ministry did not understand what the problem was in Sudbury. The opportunities for development there are enormous. One area my colleague and I have been talking about for 10 years or more is on the whole question of mining machinery and technology. We have always met with resistance from this government. When it finally acted it was to put in a resources machinery development centre, which is not going to produce any machinery.

It will act as a go-between for government and industry, pull together information and research for anybody who wants to build mining machinery there and so forth. I think I understand the role of the development centre.

I was very surprised when I received a copy of a speech made by the minister to the Canadian Diamond Drilling Association in Niagara Falls on April 27, about a month ago. The minister was talking about mining machinery and he said some very strange things. I do not understand how he can say these things, given his record and that of his government. He said:

"Although Canada has been a proving ground, for example, for drilling machines used throughout the world, we have not yet developed the kind of world-scale mining equipment industry one might have expected. There is a need today for a new generation of mining equipment involving application of today's technologies.

"It may well be true that a new Canadian manufacturer cannot produce traditional scoop trams as cheaply or as well as an overseas firm with years of experience."

Who has more experience than Canadian miners?

"But there is no reason why Canadian high technology manufacturers, working closely with the Canadian mining industry, cannot design and produce the equipment that will succeed scoop trams. There is no reason why the robotized conveyor systems that will surely come in mining cannot begin here.

"It is possible because our manufacturers have the capability to apply technology to mining demands and it is necessary because we are a hard-currency, high-wage economy finding ourselves in competition with soft-currency, low-wage nations."

It is not low-wage nations that the mining machinery industry is competing against, not to this point anyway.

I hear the minister making these speeches that sound great. He is plugged in. He realizes there have to be linkages with the resources, backward linkages that use machinery to extract the ore and forward linkages in processing and refining. It all sounds so great. It really sounds good. It is too bad the deeds of the government do not match the words of the minister.

The regional municipality of Sudbury understands that. The minister need not dismiss it as the raving of the opposition, which he is inclined to do. When we are facing the situation we are in Sudbury where, in the first 10 months of this year, 8,800 people will be going off unemployment insurance benefits—I will leave that hanging there. I do not know where they are going. I assume a lot of them will go on welfare. Neither the provincial nor the federal government is producing or coming through even with the make-work projects or short-term projects that they should be and they are definitely not coming through with long-term projects.

I do not know what kind of community the minister thinks we are going to have in the Sudbury basin with those 8,800 people in addition to the ones already there who are without jobs. I believe there are about 17,000 now on the unemployment rolls in the Sudbury basin. It is a very serious problem and it has more than economic ramifications; it has social ramifications. We have already seen one or two examples of what happens when frustration reaches a point where it erupts in the community. It erupts in dangerous and violent ways.

This government had better understand that one cannot take a community such as Sudbury, consisting of miners and people in the industrial sector, and one moment have them working for decent wages and the next moment have them on welfare. It simply cannot be done without serious disruptions. When and if that happens, this government will be there to condemn the people who take part in those kinds of activities, but it would not have been there to prevent that from happening in the first place.

Anyway, the regional municipality of Sudbury has made several presentations. They made a presentation to Macdonald's federal Royal Commission on Economic Union and Development Prospects for Canada and they have also let the provincial government know where they stand.

The regional municipality wants Sudbury recognized as the logical national centre for mining technology. Surely that fits in with what we said and it fits in with what the minister said in that speech in Niagara Falls. The minister did not

say Sudbury; I understand that, but at least he understands, or seems to understand, or says the words that we need to have mining technology in this country.

The regional municipality's second point is "federal and provincial funding for the development of national training facilities in Sudbury for mining and heavy industrial application, including automated machinery, robotics and computerized technologies." That does not seem unreasonable to me.

I wish the Minister of Education (Miss Stephenson) were here. We know in the Sudbury basin the level of sophistication in the technical shops in the school system in Sudbury is woefully inadequate and outdated. That needs to be updated as well.

Three, they seek "realistic industrial development incentives to match incentive programs with local needs, which will result in development of new business and industry in the region and expansion of existing industrial and commercial enterprises."

Four, they ask for "recognition of the Sudbury region as an important industrial, educational, transportation, medical, recreation, social and research resource centre for northeastern Ontario."

Five, they talk about "centralization of government services in northeastern Ontario by expansion of federal and provincial government support service facilities in the regional municipality of Sudbury."

Six, they refer to "utilization of productive land resources and development of potential forestry and agricultural industries through programs of research and funding to assist investors and developers."

Finally, they mention "upgrading and expansion of transportation systems and facilities such as our nearby harbour"—that is, Fisher harbour at Manitoulin—"and intercity rail and air travel."

9:10 p.m.

While the minister is here, I should tell him there is a lot of anticipation that some tree nursery money should be put in Sudbury. I know there is competition for this. I know, as well, that the ministry has a priority list of which communities should receive the tree nurseries. I know, too, there is some work being done on an underground facility for trees where one can grow more than one crop in a year.

I would make the pitch that going into Sudbury should not depend on that underground facility. It should be a regular facility and then, as that

other development occurs, one takes advantage of it.

Hon. Mr. Pope: Could I answer that?

Mr. Laughren: Yes.

Hon. Mr. Pope: I guess the first private one was in Port Arthur. As a strategy, we went along Highway 11; we are starting along Highway 17 now. Part of the area we are looking at includes the Wawa-Sault Ste. Marie and Sudbury areas, trying to examine the transportation costs for locating in the different areas. We are working on the Highway 17 route as well now.

Mr. Laughren: We have talked for a long time about the need for more refining in Sudbury. I was really struck when the ministry came out with its mineral score document this year. I actually read a lot of that document. I am not a technical person but I found it irresistible.

When I looked at page 89, at the smelting of metallic minerals mined in Ontario, I noticed zinc, a mineral near and dear to the minister's heart, and I noted the Ontario mine production smelted outside of Canada as a percentage of Ontario mine production. Have you got the picture?

Of all the zinc mined in Ontario, what percentage is smelted outside of Canada? In 1975 it was 64 per cent; in 1976, 60; in 1977, 59; in 1978, 61; in 1979, 33; in 1980, 28; in 1981, 25; and in 1982, 27 per cent. There has been a drop in the percentage of zinc smelted outside of Canada and we understand why. That is the way it should be.

I turned to page 91 for cobalt. The Ontario mine production refined outside of Canada as a percentage of Ontario mine production for cobalt in 1975 was 67 per cent and in 1982, 58 per cent. For iron ore: 1975, 34 per cent, and 1982, 1.6 per cent. I think we know what is happening there. It is sad. For lead: 64 per cent in 1975 and 92 per cent in 1982. The amount being smelted outside of Canada has gone up.

Mr. Stokes: It is going to St. Joseph, Missouri.

Mr. Laughren: That is right. For nickel: 43 per cent in 1975 and 35 per cent in 1982, which really means 35 per cent of our nickel is refined outside of Canada. That is a third, and we are a major nickel producer.

The platinum group metals are near and dear to my heart because we produce a lot of platinum metals, the precious metals. In 1975, 100 per cent was refined outside of Canada and in 1982, 100 per cent as well; all of it.

There was a recommendation in an Ontario government report called *Towards a Nickel Policy for the Province of Ontario*, done by Dr. Mohide, which recommended that this should end, that there should be a platinum group metals refinery built, reasonably in the Sudbury basin because that is where so much of the platinum group metals comes from. Yet we are still refining 100 per cent outside Canada.

That is an example of the kinds of numbers we are dealing with. I did not go through the list of the amount of ore produced, the dollar value and all that, although I could. This is a very useful document and the ministry should be commended for producing it. It is a good document for people who are interested in those kinds of things.

We are not making progress in refining more and more of the minerals that are here. I suppose if they were renewable, the minister could at least make an argument—I do not think I would support him, but he could make an argument and I could understand it—but I do not know how he justifies refining 100 per cent of nonrenewable resources elsewhere, or in the case of nickel more than a third of it.

It is not an infant industry. The argument the economists try to lay on us, that it is an infant industry and we have to do what we can while we build it up, does not hold. This is the nickel capital of the world and we are still exporting a third of it for refining. What a lot of nonsense. We also export 100 per cent of the platinum group metals for refining. The government's own experts tell them that is wrong.

I look at Sudbury and I really cannot help thinking of Hemlo or Detour Lake, especially Hemlo where three communities are being impacted by a massive development. I think the development is up to \$12 billion at Hemlo. There are White River, Manitouwadge and Marathon, with Hemlo roughly in the middle. I defy anybody to tell me those three communities will properly reflect the incredible wealth that is going to be taken out of that area. If it did not happen in Sudbury in 100 years, there is no reason to believe it is going to happen in those three communities.

The taxpayers in those communities will assume a major portion of the cost of that development through servicing the work force there. I know there are special grants and I understand what is going on there, but I want to tell the minister it is not enough. The very day a community starts into its nonrenewable resources is when the government should be

planning for the end of those resources, and it has not done that. I really find that incredible after all these years.

Who would deny what Sudbury has meant to Ontario? Yet we are in the middle of an economic crisis there because the government does not believe in that kind of grant. It really does not believe in it. It carries the laissez-faire attitude to an incredible extreme, and that has always bothered me more than I can say.

We know the communities will pay for the municipal services and there will be improper sharing of revenues. The same principles apply there that have applied in Sudbury for 100 years. I really do not see that anything has changed. I hope the ministry will, at some point, take a look at the whole idea of nonrenewable resources and at who is paying for the development of the communities that provide homes and other amenities for the work force.

9:20 p.m.

I want to move to forestry. There still remains in my mind a sense of great unease about what is happening in the forests. It is not because I am a forester and can walk into a forest, be an instant expert and know what is wrong; it is because of what other people are saying about what is going on in forestry. If anything makes me feel uneasy, it is the way in which the ministry deals with criticism on forestry: it is just not tolerated. It does not accept any criticism on forestry. It is the best of all possible worlds out there.

I read through the minister's opening statement after he had given it, and there was nothing in it that said: "We know there are problems in this area, and this is what we are doing about them. We know our critics are saying this." He does not even acknowledge it. He does not acknowledge any criticism at all. He does not acknowledge any problems. It is a wonderful world out there, if only everyone would fall in line. He has done his best to make sure everyone does, but it does not always work. It goes everywhere from forestry research in his ministry to reforestation.

Let us look at research for a moment. I read the report that Dr. Walmsley did in 1979 on research in the Ministry of Natural Resources. That was five years ago. Perhaps when the minister replies he could tell whether some of these recommendations have been met. One of Dr. Walmsley's recommendations referred to "The need to maintain excellence, critical mass and stability of scientific staff in times of restraint." That is not the sense out there among his research staff. He also mentioned "The need to improve communi-

cations between research units and the rest of the ministry, especially the field staff." Has that been done?

"Natural resources research in the province as a whole could well be in a serious state in the immediate future due to weak academic research, federal government cutbacks and poor industry commitment. Any steps that would weaken the ministry research effort, which is central to all natural resources research in the province, could have dramatic long-term effects in the primary resource sector."

I sure want to hear the minister's comment on that comment, because that was in 1979. A couple of years later, without anything having changed substantially that I know of—the minister can correct me—the minister threw into chaos the whole question of what was going to happen with the research at the facility at Maple. The comments here were "poor industry commitment" to research, "weak academic research" and "federal government cutbacks."

After Dr. Walmsley made those comments, the minister decided it was time that some of this research was turned over to industry, to academic institutions and so forth, I believe. I do not want to put words in his mouth, but that was my understanding of breaking down the research components in Natural Resources and letting some of them go to the academic area and to industry.

Dr. Walmsley surely knew more about the state and the needs of research than did the minister, since he was in the middle of it all, and I do not know how the minister could come to the conclusions he did about Maple. If he has come to any firm conclusions, I do not know, but he is not doing the state of research any good in the ministry with the kind of questions that are hanging over the heads of those people at Maple.

Recommendation 1 by Dr. Walmsley says: "It is recommended that the ministry reaffirm its intention to maintain a strong scientific capability." The minister has a strange way of reaffirming that.

There are 26 recommendations, and I am obviously selecting the ones I am worried about because of their nature. Number 6 says:

"It is recommended that the forest resources group immediately:

"(a) provide resources for the publication of work done on the Sault laboratory starts in 1980 and is completed within three years." I do not know whether that was done. I would appreciate knowing that.

"(b) publish a summary of the objectives, concepts involved and general progress of programs in the Sault laboratory by October 1979 for internal distribution only. A verbal presentation should be made to the northern and southern Ontario committees in the policy and priorities committee." I would appreciate knowing whether that was done.

"Recommendation 20: It is recommended that following approval of research philosophies and concepts, each research unit should submit a three-year plan for capital equipment, after which approval can be consolidated and be incorporated into successive work plans." I wonder what happened there.

What we get is a situation in which Dr. Walmsley made certain recommendations back in 1979—

Mr. Stokes: Adam Zimmerman has not collected the money yet.

Mr. Laughren: That is probably true too. I would not want you to think that Adam Zimmerman did not have money.

Anyway, Dr. Walmsley made a number of recommendations in that report in 1979, and then a couple of years later the ministry made very ominous noises about what was going to happen at Maple. The last time we were there, there was certainly a sense of unease about what was going on at Maple.

Let me read one of the short paragraphs by Dr. Walmsley:

"It is obvious that at the present time"—this is 1979—"the prime source of scientific information on the natural resources of the province of Ontario is derived from the province's own in-house research programs and that the main source of scientific expertise lies within the ministry's research units. If the research expertise in the ministry's research units is damaged or destroyed, there is a danger of destroying the only real capability in the province to generate the valuable background science so essential for the proper management of ministry programs."

That seems to be pretty tough language from Dr. Walmsley and a clear warning note.

Mr. Stokes: Just a purveyor of doom and gloom.

Mr. Laughren: Yes. Maybe he had a sense of what the inclination of his superiors was at that time; I do not know. I cannot comment on that.

I wonder what is happening there. I know there was an internal ministry task force, if that is the right term, to look at the future of research. I think it is time we had an update on that. I assume it is too much to ask that anything be tabled or

released to us; it is only public information on public forests. I assume that would be expecting too much. Anyway, I would like to know what the update on that is.

Secrecy in the ministry is as big a problem as it ever was, perhaps more. I would like to know where Mr. Berg's report is. In July 1982, I believe, it was put on the minister's desk. We are now almost into June 1984. I know the minister needs time to study. Even a "quick brief" takes time to study reports such as the wood utilization study.

Back in late 1983, or farther back than that, the minister made a statement in the estimates that he would give us a new forest production policy by April 1983. I am sure the minister will correct me if I am wrong. Here it is May 1984, almost June 1984, and I have not seen that forest production policy. As far as I know, no one else has seen it either.

Also in late 1983, when I requested some information on numbers, stocking levels, survival data and so forth, the ministry appointed a task force. I have never felt so important in my life. When the ministry appointed an internal task force to reply to my questions or to come up with a new way of determining the success of reforestation in Ontario—I do not think I am putting that in an unfair way; that is what was done by the Ministry of Natural Resources—I thought, "My goodness"—

Mr. Stokes: Was it not because they said that the information provided could be misleading?

9:30 p.m.

Mr. Laughren: Yes. It was misleading; it was unreliable even. It was not as though it was my information; it was the ministry's own information. I am wondering what is happening with that internal task force.

I was thinking I should recommend to my leader that we set up a task force to look at mining, but I thought, no, that will just evoke another task force for the ministry; this could go around in circles. As soon as the minister gives us his response to the task force on the numbers, perhaps we should appoint a task force to look at his numbers. That would then allow him to appoint a task force to respond. This could go on for ever. I know that would satisfy the Minister of Natural Resources, but that is not what I think serves the people of Ontario.

Mr. Stokes: That is what they did to the Royal Commission on the Northern Environment.

Mr. Laughren: Speaking of the Royal Commission on the Northern Environment, when was

the last time the minister was in contact with his colleague and close personal friend Mr. Fahlgren?

Hon. Mr. Pope: When I was cross-examined by a battery of lawyers.

Mr. Laughren: I see; when you lost your cool—

Hon. Mr. Pope: No, I did not lose my cool.

Mr. Laughren: —and were petulant. I see. That was the last time. I suppose he does not feel close to you somehow.

Anyway, I put a question on the order paper on April 9, 1984. I asked: "Will the Minister of Natural Resources provide, for the year 1982-83, a list showing the total acreage of forest land (1) which has been cut over, (2) which is not available for regeneration, (3) which has regenerated naturally, (4) which has been regenerated artificially, (5) which requires regeneration treatment and (6) which requires regeneration treatment but has not been treated?"

On the first question, about the total acreage of cutover forest land, the minister replied, "Information available on page 13 of the Ministry of Natural Resources published Statistics 1983." That is a bit snarky.

In answer to the second question, about forest land not available for regeneration, the answer was: "All cutover land is available for regeneration, except that which is used for forest access"—in other words, roads, I guess. That is truly remarkable, because in 1979-80, four or five years ago, the ministry's own annual report said that of 436,000 acres of cutover crown land in that season, 139,000 acres were classified as not available for regeneration treatment.

I think the minister deserves some kind of award. In those four or five years we have gone from 139,000 acres not available for regeneration to zero not available for regeneration. I think I should take back all my criticism. I tip my hat to anybody who can go from 139,000 acres not available for regeneration to zero acres not available for regeneration. It is truly remarkable. In the minister's response, I want him to tell us how he did that.

Mr. Stokes: It is like rye on the rocks.

Mr. Laughren: Yes, I think so. I bet the Scandinavian countries are just sitting there pining away, wishing he was there or they were here.

Hon. Mr. Pope: It is all available for regeneration.

Mr. Laughren: Yes, but it was not in 1979-80; that is what is so remarkable.

Hon. Mr. Pope: Progress.

Mr. Laughren: That is progress, the likes of which I have never seen.

Hon. Mr. Pope: I say all land should be available for regeneration, and the member supports me.

Mr. Laughren: I do not know how the minister turned it around so dramatically, though. Has any minister anywhere in the western world or in the eastern world ever had a turnaround like that? Has anyone ever seen the likes of that? It is remarkable.

When I read that answer, I turned to the member for Lake Nipigon (Mr. Stokes) and I said: "Are you sure Mr. Foster is retired?" That is what I said. He said, "Yes, he has." And I said, "Then Mr. Pope has learned well." It is truly remarkable what he has learned about forestry to turn something like that around. I am very impressed.

Hon. Mr. Pope: Thank you.

Mr. Laughren: Not to dwell unduly on that, I am sure I will be even more impressed when I hear how we went from 139,000 acres out of 436,000—that is more than 25 per cent—to zero.

Hon. Mr. Pope: I just told the member.

Mr. Laughren: No, the minister did not tell me.

Hon. Mr. Pope: All land is available for regeneration.

Mr. Laughren: The minister did not tell me how he made that dramatic turnaround.

Hon. Mr. Pope: It is our policy now that all land is available for regeneration. Thank you very much.

Mr. Laughren: The minister is not answering my question. How did he turn it around?

Hon. Mr. Pope: Quite easily. We made a policy decision that all land is available for regeneration.

Mr. Laughren: A policy decision? Come on.

Hon. Mr. Pope: That is right. All land will be available for regeneration.

Mr. Laughren: And it was not then?

Hon. Mr. Pope: The terminology is "not available for regeneration." I say it is all available for regeneration.

Mr. Laughren: I see, but it was not then. The minister is not contradicting the previous statements?

Hon. Mr. Pope: I am saying it was a policy decision that it is all available for regeneration.

Mr. Laughren: The minister deserves his portfolio.

Hon. Mr. Pope: Thank you.

Mr. Laughren: I am not too sure that Natural Resources deserves him but, nevertheless, it is remarkable that he could turn it around like that. He will enlarge on it in his response, will he not?

Hon. Mr. Pope: That is the answer.

Mr. Laughren: What is the answer?

Hon. Mr. Pope: We made a policy decision that all land is available for regeneration.

Mr. Laughren: Was it available back then? Does the minister know?

Hon. Mr. Pope: I have no idea.

Mr. Laughren: I see; okay.

Interjections.

Mr. J. A. Reed: On a point of order, Mr. Chairman: This is a classic case where an answer is inadequate.

Hon. Mr. Pope: That is nonsense.

Mr. J. A. Reed: The chief of forestry should be here to answer those questions in detail.

Hon. Mr. Pope: It was a policy decision; I just told the member.

Mr. J. A. Reed: We do not change land from one capability to another by a policy decision.

Hon. Mr. Pope: We certainly do.

Mr. Stokes: Even if it is bedrock or swamp.

Mr. J. A. Reed: Right; a stroke of the pen and it is available. This is a classic reason why my motion should have been supported.

Hon. Mr. Pope: All land is available for regeneration; that is our policy.

Mr. J. A. Reed: And it was not before.

Mr. Stokes: It was available for regeneration, but we will not get a viable forest out of it.

Mr. Laughren: No, but it was not before. I would never belabour a point but—

Hon. Mr. Pope: The member knows why, because he said it was being written off.

Mr. Laughren: I determined the minister's case, did I?

Hon. Mr. Pope: It is not being written off. All land is available for regeneration. If the member looks at the levels of seedlings we are putting in the forest areas of northern Ontario, he will see—

Mr. Laughren: So not only did I cause a task force to be struck, but I also caused the land not available for regeneration to drop from 139,000 acres to zero. I should be taking the credit, not giving it to the minister.

Hon. Mr. Pope: The member makes the sun shine too.

Mr. Laughren: This is truly remarkable.

Hon. Mr. Pope: Good, I am glad the member thinks so.

Mr. Laughren: I can hardly contain my enthusiasm and my admiration that the minister would be able to do that.

Mr. Stokes: It would be tragic if the minister were not so serious about his job. That is an incredible statement to make.

Mr. Laughren: I know the minister is serious; he is just misinformed.

Hon. Mr. Pope: I am serious and I am informed.

Mr. Laughren: I know he is serious, and that is what is tragic.

Hon. Mr. Pope: It is all available; the member knows that. In any speech I have made, I have talked about how we have to go further than we have in the past and we have to improve our performance.

Mr. Laughren: Anybody who would make a statement like that is taking himself very seriously.

Mr. J. A. Reed: I can see him up there with a wheelbarrow, out on the soil.

Hon. Mr. Pope: The member should come up to the north and see what goes on during the summer months and the contracts that are being issued.

Mr. Laughren: Just to prod the minister a little, I asked him on April 27, "Will the Minister of Natural Resources provide the results of the review undertaken in October 1983 by a task force of the forest resources group pertaining to the procedures and measures for forest regeneration?"

The answer I received was: "The task force, which reviewed the procedures and measures of assessing forest regeneration, completed and submitted its report in February 1984. The draft recommendations are currently being studied by my senior staff."

May I assume that these recommendations will meet the same fate as all other reports and studies seem to meet in this ministry, that they will never see the light of day?

Hon. Mr. Pope: When I see them, I can answer the member's questions.

Mr. Laughren: The minister saw the Bird report two years ago. Does that mean in two years he will decide that maybe he should tell me

what the new numbers are that we are dealing with? Seriously, that is a legitimate request.

Hon. Mr. Pope: The member is going to have to wait until I see them first.

Mr. Laughren: The minister has seen them; he has had them since February 1984.

Hon. Mr. Pope: I beg my friend's pardon, I have not.

Mr. Laughren: Why not?

9:40 p.m.

Hon. Mr. Pope: Because my senior officials are working on them and the report will be coming to me when they finish the work.

Mr. Laughren: Come on. Are you telling me that you—

Hon. Mr. Pope: You can assume what you want. I am telling you, and if you do not think I am telling you the truth—

Mr. Laughren: Have you seen the Bird report?

Hon. Mr. Pope: Yes.

Mr. Laughren: Why do we not have that?

Hon. Mr. Pope: You are going to get it.

Mr. Laughren: When?

Hon. Mr. Pope: Just relax.

Mr. Laughren: That is what you told me last year. Are we going to get the forest production policy?

Hon. Mr. Pope: We went through this debate last year.

Mr. Laughren: That is a year ago. Are we going to get a forest production policy?

Hon. Mr. Pope: And I told you we are at 66 per cent of production and 64 per cent of regeneration, according to the targets of the forest production policy. We talked about 9.1. We are at 66 per cent of that now and we are at 64 per cent of the reforestation targets in the policy.

Mr. Laughren: That was not what the forest production policy was supposed to be.

Hon. Mr. Pope: We went through all of this last December.

Mr. Laughren: No, you are twisting it. The forest production policy was supposed to be a long-run goal of what we should be producing in our forests and what we could sustain, right?

Hon. Mr. Pope: Yes, 9.1.

Mr. Laughren: My question to you last year was: is it still 9.1 million cunits by the year 2020?

Hon. Mr. Pope: Yes, 66 per cent production and 64 per cent reforestation target, as I said last year in estimates.

Mr. Laughren: You also promised—

Hon. Mr. Pope: I also said the two would have to move in tandem. I said that last November and December.

Mr. Laughren: But you did not live up to your promise to table a layman's version of the forest production policy. I believe I am quoting you correctly.

Hon. Mr. Pope: I do not know what you mean.

Mr. Laughren: You said that by April of 1983—I could go back and dig it out if you want—you would lay before us a forest production policy.

Hon. Mr. Pope: No, I do not have a layman's interpretation of the forest production policy.

Mr. Laughren: Will you give us one?

Hon. Mr. Pope: I have not seen one, therefore none has been made.

Mr. Laughren: Will you give us one, as you promised to?

Hon. Mr. Pope: No.

Mr. Laughren: You will not?

Hon. Mr. Pope: We have a forest production policy; we discussed it in last year's estimates and nothing has changed.

Mr. Martel: You are unbelievable.

Hon. Mr. Pope: What do you mean, I am unbelievable? You have seen the policy. You know it is 9.1.

Mr. Laughren: I know it was, but you said you were revising that.

Hon. Mr. Pope: You know from last year's estimates we were at 66 per cent.

Mr. Laughren: You were not happy with that 9.1. Your people thought that was an unrealistic forest production policy and you were going to table a new one, with layman's language.

Hon. Mr. Pope: There is no new one. As I said last December we had made a decision that increases in production would be allowed only if they moved in tandem with increases in reforestation effort.

Mr. Laughren: You cannot throw these things off the top of your head and say, "That is my policy."

Hon. Mr. Pope: You can read Hansard if you do not believe I said it.

Mr. Laughren: I am not questioning that you said it. All I am asking is that you live up to the commitment you made in 1982—that you would have before us in 1983 a forest production policy

and a layman's version of it. You are not prepared to do that?

Hon. Mr. Pope: I explained last December where we—

Mr. Laughren: You are not prepared to do that?

Hon. Mr. Pope: No, I explained last December where we were moving and I thought I was very forthright in what was going to happen.

Mr. Laughren: No, you were not; you have never been forthright.

Hon. Mr. Pope: You know everything.

Mr. Laughren: No, I do not, but I am trying to learn a little about it. I think a lot of people would like to learn more about our forests—legitimately. I know you do not like it when I say it but you really do regard forestry as your toy.

Hon. Mr. Pope: No, I do not.

Mr. Laughren: And that is not appropriate.

Hon. Mr. Pope: No, I do not.

Mr. Laughren: You do not share it with anybody.

Hon. Mr. Pope: I do so.

Mr. Laughren: With whom?

Hon. Mr. Pope: We have had more full disclosure about forest management—

Mr. Laughren: Oh, have you?

Hon. Mr. Pope: —than in the last 50 years. In the last three years you have had more disclosure of harvest levels, harvesting practices; you have had more detailed maps available at open houses, public forums; you have had more debate through our land use guidelines and forest policy than in the previous 50 years.

Mr. Laughren: That all ties in nicely, does it not, with the reports that you will not table? It ties in very nicely with the fact that you have changed the way you give us numbers. You decide what you want the public to see.

Hon. Mr. Pope: We discussed all this last November and December.

Mr. Laughren: The freedom of information legislation would really destroy your whole sense of well-being, would it not? There is no reason why we should not have all of that information.

There is a growing sense out there that the Ministry of Natural Resources—I am talking about externally now. We can talk about the internal problems of MNR, if you like, but externally there really is a sense that all of the decisions about forestry and forestry communities are being made at Queen's Park; that northern Ontario is out of it; that it is a large,

overly centralized bureaucracy where decisions reside in a very small and a very high-level bureaucracy and that northern communities do not have any say at all in their futures.

I can understand why they feel that way.

Hon. Mr. Pope: That is not the way it is.

Mr. Lane: You know it is not the way it is.

Mr. Havrot: You are fabricating.

Mr. Lane: There are more people happy up north now than ever before in the last 25 years. Who are you kidding?

Mr. Laughren: Let me ask you something. Do you really believe that Olympia and York, Weston, Canadian Pacific and—which one am I missing?

Hon. Mr. Pope: Seagrams?

Mr. Laughren: No.

Hon. Mr. Pope: Labatt's? Throw them in.

Mr. Laughren: No, Kimberly-Clark. All of these companies now control forestry in northern Ontario. I am not doing some kind of rhetorical rant here. I am telling the minister that the sense out there is that Olympia and York probably is not as concerned about the fate of any given forestry-based community as they would be if that was a locally-based forestry company.

When you end up with these incredible conglomerates controlling the forestry and the future of communities in northern Ontario, do you wonder why people feel uneasy?

Hon. Mr. Pope: Which mills would you like me to close?

Mr. Laughren: Look at the Sault Ste. Marie mill.

Hon. Mr. Pope: Which ones would you like me to close to reallocate the wood?

Mr. Laughren: I am not asking you to close anything. That is a silly question.

Hon. Mr. Pope: Exactly.

Mr. Laughren: I will tell you what I would like to see you do. I would like to see you establish a forest renewal trust fund which would establish a fund to make sure the money taken out of the forest was put back into it.

Probably the minister cannot admit this, but if the minister was really concerned about rebuilding our second forest, and the amount of money that is going into it would indicate there is some concern there, then surely he would admit that when he goes to cabinet he is subject to enormous competition for funds at Management Board. That goes without saying.

To be pumping the money we are pumping into the forests now—what will it be this year in public funds, \$200 million or \$170 million?

Hon. Mr. Pope: Pretty close to \$200 million.

Mr. Laughren: Yes, it is pretty close to \$200 million this year. That is a lot of money, with no quick evident political return. I am sure you would agree it is not like building a bypass. It is not like a make-work project, that kind of thing. That has been one of the problems with forestry over the years. I am sure the minister would agree.

Surely the minister is uneasy about having those kinds of funds always subject to immediate and yearly whims of cabinet. This may sound bizarre to him, but it is not even guaranteed that his government will be in power all the time. An opposition party without a similar commitment to forestry could cut that back, even lower. My point is that as long as there is no renewal fund there which takes money out of the forest and puts it back, it is always going to be subjected to cabinet whim. That surely must be worrisome to people who are concerned about the long-run health of the second generation forests.

9:50 p.m.

That is why I think we should have a renewal trust fund. It could be done with a value added tax, for example. We did some quick arithmetic on a two per cent value added tax on wood products. In 1982 it would have come to around \$65 million for the year. That is one way. I am not saying it is the only way, but it would establish a renewal trust fund that would be put back into the forests.

Mr. Stokes: It doesn't even have to be a tree tax.

Mr. Laughren: No. I know governments are reluctant to allocate taxes to specific things. It all tends to go into the consolidated revenue fund and be split up. I understand how that system works. I think we are dealing with something here, forests, where, because of their long-run nature, it must be hard to say, "We are going to spend \$200 million so that 100 years from now we have adequate wood for our descendants." That is very hard. If we get into economic tough times, that would be a way of ameliorating that problem. Anyway, that is one possibility.

I was trying to push the minister on that regeneration figure, but he knows full well that what we are talking about when we talk about growing a second forest is proper or adequate stocking of that second forest. What does it prove if the second forest grows up and is filled with

undesirable species, species we do not particularly want? Increasingly, they are using some of those species. I understand that. But they are not those long-fibre spruce and jackpine. That is what they want.

Mr. Stokes: You cannot make newsprint out of them and you cannot make saw logs out of them.

Mr. Laughren: That is what is really important. For the minister to play that silly game of saying that whatever is being cut away can be regenerated deliberately avoids the point. It really is deliberate and quite offensive, too.

Does the minister know that professional foresters are laughing at that response? They really are laughing. He is eroding not just his own credibility, but that of his senior people in that he has succumbed to that kind of game with those kinds of answers.

I am not saying that is the only reason there are morale problems in the Ministry of Natural Resources. There are other reasons as well.

Mr. Lane: Who said we had morale problems?

Mr. Laughren: Funny you should ask. Somebody here I was reading about said, "In 1972 the Ministry of Natural Resources talked about decentralizing authority, but moved to centralize power. It was the kind of gimmick that robbed the district of expert people and put them all in the Toronto and regional offices. A lot of good people quit and left for industry or other provinces. The reorganization completely destroyed the ministry's old esprit de corps. It has not been an improvement." That is from Mr. Marek who is an objective observer. Now that he is retired, he has no axe to grind.

The minister gives these facile answers for political reasons. It is politically opportunistic for him to make those kinds of statements, that our land is available for regeneration. He really does have foresters chuckling about it. That erodes his own credibility and I believe it affects morale in a serious way within the ministry, particularly the forest resources branch. What good is it if it regenerates in an unacceptable way?

Mr. J. A. Reed: The only people who believe that live south of Eglinton.

Mr. Lane: He did not say it would be all regenerated. He said it was available for regeneration.

Mr. Laughren: I know. We all know that. That was the second question.

Hon. Mr. Pope: Using that old logic, we were at 80 million trees.

Mr. Martel: How many years to get it?

Mr. Laughren: The third question I put in Orders and Notices was: Will the Minister of Natural Resources provide for the year 1982-83 a list showing the total acreage of forest land which is regenerated naturally? The answer from the minister was—

Interjection: From Mr. Sloan, excuse me.

Mr. Laughren: —that virtually all land which has not been treated artificially will regenerate naturally. Every forester will tell you that is true in a technical sense.

Mr. Stokes: Even raspberries might grow on it.

Mr. Laughren: That is right, and that is regenerating, I suppose. That is natural regeneration. For the ministry to come up with that kind of answer really makes the minister look silly—not in my eyes, but I am not the one he is trying to impress. He is not trying to improve my morale, although God only knows it needs it.

Foresters know what stocking levels are. They know what are satisfactory, minimum and nonsatisfactory restock categories. When they see that kind of answer, they say, "They are into playing silly games now." That does not serve the minister well, but I will not dwell on that any longer.

I think one of the problems is that the ministry, I am not sure for what reasons, cannot even admit to errors in the past. They cannot even remember them. Everything is fine now, and if was not fine, they do not worry about it. Remember last year the minister said: "I do not want to deal with the past. Let us deal with the future." He asked, "Do you want to live in the past or do you want to live in the future?"

He cannot separate the errors of the past from what is needed to prevent them in the future. He cannot make the very neat distinction he would like to. If things were being done well or had been done well, he would not need to pump a \$200-million public subsidy into the forests today. It is a catch-up.

Mr. Lane: A federal minister said yesterday we need \$600 million a year pumped into our forest resources.

Mr. Laughren: Right.

Mr. Lane: Was he wrong?

Mr. Laughren: Why do we need that much?

Mr. Lane: That was from a federal minister.

Mr. Laughren: Right. Why do we need that much, if we do? I do not know if we need that much. I am not the one who can say that. Whether we need \$200 million or \$600 million, those are catch-up funds. Why now? If there had not been neglect in the past, we would not need that kind of subsidy. I do not doubt for a minute we need it now. I do not know whether it is \$200 million or \$600 million, as the person you quote said.

Mr. Lane: I am just quoting from the papers.

Mr. Laughren: Yes, I know.

Mr. J. A. Reed: Is that Canada or Ontario?

Mr. Lane: That is Canada. A third of it should be here in Ontario, so \$200 million is about right.

Mr. Stokes: Ken Greaves says we need a billion.

Mr. Laughren: Yes, there you go. Ken Greaves knows.

Hon. Mr. Pope: He is a friend of yours, is he not?

Mr. Laughren: I took a look at the ministry a couple of years ago, having been provided with the forest management agreement summaries, forms called 8-1 forms. I cannot remember the technical jargon for 8-1, but I suppose I could find it. It breaks down a little more fully the work under the FMAs. I took a look at it and compared over the years what is happening in certain functions.

I am very concerned about what is happening in the forest management agreements. I am concerned for a couple of reasons. One, there seems to be a disincentive to doing things in a better silvicultural way. In other words, there is no incentive to do things in a way I would regard as more ecologically acceptable. Let me give some examples.

10 p.m.

These are silvicultural trends. In 1979, seedling constituted 33 per cent of the process, of the way planning was done; in 1983, under the FMAs, it was 40 per cent. There is an increase in that method of planning. For scarification, in 1979 it was 5.7 per cent and in 1983 zero. For strip-cutting, in 1979 it was 3.6 per cent—I have the intervening years if the minister wants them, but the trend line is pretty straight—and in 1983 it was 1.5 per cent. Less than half was done in strips as opposed to clear-cutting.

For clear-cutting, in 1979 it was 3.9 per cent and in 1983, 8.4 per cent. More than double was clear-cut. I understand from figures I read somewhere—I would have trouble putting my

hand on them right now—that the average size of a clear-cut is now 400 acres. I believe that is true. That should give the minister some cause for concern. It is a pretty large clear-cut.

Hand-tending of the woods as a way of tending: in 1979 it was 13.7 per cent, and under the forest management agreements in 1983 it was 0.6 per cent. There is almost no hand-tending; there is no incentive to do it that way.

Herbicide spraying: in 1979, as a percentage of the hectares treated, it was 47.7 per cent. It was 98.6 per cent in 1983. It is now virtually all herbicide spraying.

Thinning improvement cuts: it was 36 per cent in 1979 and 0.9 per cent in 1983. What comes across to me, and I hope the minister will respond in a serious way, is that the quick fix is in under the FMAs, whether it is herbicide spraying or clear-cutting, and there is no reason for the industry to do it any other way. I do not believe there is a distinction that encourages what I would regard as the more acceptable way of tending and harvesting our forests.

I am sure the industry probably does not agree with me that it is more acceptable, but I think the ministry should try to minimize herbicide spraying, for example. I think the ministry should try to minimize the size of the clear-cut, use more strip-cutting and so forth, and hand-tend it. Yet as I understand it there is no incentive under the FMAs to do that.

I will be quite happy if the minister will comment on that.

Hon. Mr. Pope: There is a difficulty with those kinds of tables. That is precisely the problem we have had with statistics. The fact is that if we look at the 20-year and five-year maps, if we look at the maps that were available at the public forums, we see there is less clear-cutting than ever before.

There has been a remarkable improvement, because there are all sorts of no-cut zones and deferred cutting areas and they are all set out on the maps. The actual harvesting under the FMAs and the actual reforestation treatments under the FMAs are not reflected in 1983 statistics, because we are just entering into them in 1984, 1985 and 1986.

We had all the maps and laid them out at the open house, and someone came in from the fish and game club and said: "This is a trout lake. You cannot cut within 150 metres of here. This is a moose corridor or a wintering yard and you have to defer cutting here. This is a major road for tourists and you have to do strip-cutting or diagonal strip-cutting cut there." That is all

revealed in those documents, but it does not show up in the statistics yet.

Mr. Laughren: To be fair, the reason I think the minister is wrong, and why I mentioned this before, is that the figures in the intervening years between 1979 and 1983 show a trend line in, for example, the clear-cutting. We are not talking just about FMAs. Perhaps I put too much emphasis on that. The trend line for the forests is the way I am describing it.

I will give an example. In 1979 clear-cutting was 3.9 per cent of the hectares or acreage cut. In 1980 it was 3.1 per cent; in 1981 it was 6.5 per cent; in 1982 it was 6.4 per cent; and in 1983, 9.3 per cent, and 1983 it was 8.4 per cent. There is a trend line there.

Herbicide spraying went from 47 per cent to 65 per cent, 63 per cent, 66 per cent and 98 per cent. I am worried about the trend line, whether it happens to be specifically 1983 or not. I agree that it would not be fair to pick one year.

Hon. Mr. Pope: It is a regional thing.

Mr. Laughren: Oh, ho!

Hon. Mr. Pope: I am serious. It does not mean anything, because clear-cutting is defined differently under the FMAs. Smaller areas are being clear-cut because of other exclusions or deferrals. The definitions change in the middle of the statistics and are meaningless.

Mr. Laughren: Then tell me what the average size of a clear-cut was in 1979 compared to now. I think 400 acres is a recent figure.

Hon. Mr. Pope: I have been told on numerous occasions, and I have used it in the House and in the estimates, that it is 300 acres. That is a substantial reduction from where we were before.

Mr. Laughren: I will go back and check my figures, but 400 is what I remember.

Hon. Mr. Pope: From looking at the FMA maps, and examining where we are headed, I maintain we are headed in exactly the opposite direction. I think the maps show that; but it is not reflected by statistics, that is the problem.

Mr. Laughren: Right. If I may summarize the point I am trying to make, it is that the quick fix is too tempting and that forestry still is not site-specific enough in the north because of the size of the forest. That is what leads to these kinds of numbers. In other words, we still are not intensively cultivating, harvesting and regenerating the forest.

I read Mr. Marek's report and throughout it expressed the very real concern that we were not treating the forest sites specifically enough. At

one point there was a beautiful quote—I wish I could find it; I should have pulled it out—in which he talked about the best system.

One quote was, “There are no simple, all-embracing answers in hand to many of these problems.” In other words, there are things like massive spraying or clear-cutting, but no one way is the only way in which to do it. He also talked about the best system being a natural, ecologically balanced system in the forest. The “quick fix” is my language, not Mr. Marek’s, but there is too much of that, and the FMAs do not discourage clear-cutting and herbicide spraying.

It seems to me those are the kinds of things we should be attempting to minimize in both cases. We should do as little of each as we feel we really have to. I would think most foresters would agree with that. Most foresters would not agree to ban spraying and they would not agree to ban all clear-cutting, but I will bet that most professional foresters would agree that we should minimize both of those.

I was rereading the summary of the recommendations we did in our task force report in December 1983, which we completed after the estimates debate last fall. One of the things we talked about was the need for an independent forester to be a kind of auditor of the forest, to sort out the claims I might make, that Mr. Marek might make, that the minister might make, that the science council might make, that the economic council might make or that even Mr. Armonson might make at some point in his career. There needed to be an independent, knowledgeable voice who would sort it all out.

It is very hard in the present political climate, because the minister really does come down very hard on critics of what is going on in forestry, whether it is from within his own ministry or from outside the ministry.

10:10 p.m.

Hon. Mr. Pope: I have let Mr. Marek express his opinions. He has expressed them for 20 years, publicly.

Mr. Laughren: We are not talking about just Mr. Marek.

Hon. Mr. Pope: Yes, but he has had freedom to express his point of view. I have read lots of articles in the newspapers where he has given his opinions, including those about legal matters.

Mr. Laughren: Yes, I know, but the minister surely would not deny—

Hon. Mr. Pope: I do deny what the Thunder Bay paper says.

Mr. Laughren: Do you not feel, surely you must—

Hon. Mr. Pope: It is not true that there was a cabinet discussion about terminating.

Mr. Laughren: I am not commenting on that. What I am saying is—

Hon. Mr. Pope: There was never even one in my office about that.

Mr. Laughren: If I could coin a phrase, and I do not think it will live for ever, the minister does not suffer experts gladly if they differ from him. I think that does not speak well. For example, take Mr. Marek’s report or Mr. Bird’s report, and I do not want to go on ad nauseam about these reports, but the minister has an approach that says: “I am not going to table these. That is mine.” That is why I used the term “toy” for the ministry, because the minister just—

Hon. Mr. Pope: No; just let me tell the member what I told the Liberal critic about—

Mr. Laughren: I do not know what the minister tells him in confidence.

Hon. Mr. Pope: Just a minute. Will the member let me tell him?

Mr. Laughren: Yes.

Hon. Mr. Pope: In terms of wasteful practices, with regard to some of the other recommendations in the Bird report, I said we would be responding publicly before the end of the estimates. We would submit the Bird report recommendations to the Legislature.

Mr. Laughren: The Bird report?

Hon. Mr. Pope: The recommendations and our reactions to them. I also indicated to him, as the member is well aware from my statements in the Legislature, that matters with respect to utilization, including chip utilization, are being negotiated with the forest products industry in the light of the increases in crown dues.

That is the reason we are trying to put together a package that not only increases crown dues but also gives credits against the second phase of increases where using a larger percentage of chips would benefit the sawmills in the small communities; that would give some credit for extraordinary reforestation, above the requirements of the forest management agreements, with respect to actual trees planted.

It is these kinds of things, and looking at some credit being given for utilization of poplar and hardwood species in some of the northern limits, where financially right now, because of transportation and capital costs for mill construction,

it is very difficult to get some money for both plants and operation.

Mr. Laughren: The minister is not going to get away with that. He makes it sound as though he is saying: "There is a new era of openness. I am going to table the recommendations of the Bird report." Will the minister table the Bird report? No, he will not table the Bird report. He is going to table the recommendations that he has decided are appropriate. That is what he will table. He will not table the Marek report.

Hon. Mr. Pope: I did not say that. I said we have not finished studying it. I am working with it.

Mr. Laughren: Yes, about two years later.

Hon. Mr. Pope: I saw it four weeks ago. The member does not really mind, does he, if I try to analyse those recommendations against our current manuals to see whether there are any changes needed?

Mr. Laughren: Why does the minister have to have the right to memorize it before anybody else can see it?

Hon. Mr. Pope: I am not memorizing it. I am trying to see whether he has made any recommendations that should be reflected in changes in the manual. What the hell is wrong with that?

Mr. Laughren: Nothing; but that does not mean other people cannot be looking at it too.

Hon. Mr. Pope: The member does not mind if I deal with my reports, submitted to me, and make some decisions on them?

Mr. Laughren: For two years? Yes, I do.

Hon. Mr. Pope: I should not carry on as a minister. Okay.

Mr. Laughren: Not the way you are carrying on. For two years, the minister sits on a report. It is true.

Hon. Mr. Pope: No, it is not. I have not sat on the report; I have been working on it. The member may not want to admit it, and I know it does not suit his terminology, but as usual he is wrong.

Mr. Laughren: See? The minister does not suffer experts gladly.

Hon. Mr. Pope: The member is an expert now, is he?

Mr. Laughren: No, I have never made that statement. Anyway, I want to tell the minister that is not the way I think things should be run. They are public forests, I hasten to remind him. The sense in much of northern Ontario is that

they have no say in our forests, and I think that is wrong.

I have found what I was looking for earlier. In 1982, the Minister of Natural Resources stated that the average clear-cut in northern Ontario was more than 400 acres. Has it changed since 1982?

Hon. Mr. Pope: Under the forest management agreements it is now around 300 acres. That is what my staff have told me consistently since we started signing FMAs, that in the FMA areas as a result of the exclusions and deferrals the size has shrunk to 300 acres.

Mr. Laughren: We want some wetlands. It is difficult to get a lot of people concerned about wetlands unless they happen to be plugged in, as it were, to the issue. People dismiss wetlands. I came late myself to an understanding of wetlands and what they mean to the ecosystem. I now think it is important.

I do not think it is simply southern Ontarians who are plugged in to wetlands. It really is an important environmental and ecological issue. I do not know why it has been handled the way it has.

There was that discussion paper on wetlands—was it 1981?—where the minister got 500 replies on the wetlands issue. I could be out a year. The minister got 500 replies. I could not find this in Hansard when I checked so I could be wrong, but I thought I asked the minister whether he would table the responses to that discussion paper. I thought he said yes, but my memory is vague on that.

Hon. Mr. Pope: Perhaps I can help on that. I am not sure what I said, but the papers are available in the library of the ministry if you want to go there, or if you prefer that I copy all those documents and table them I will do so.

Mr. Laughren: No, we can check it. It is in the ministry library?

Hon. Mr. Pope: Yes.

Mr. Laughren: I thought that was a real vote of confidence to proceed with a wetlands policy. When these guidelines came down I thought, "Oh, no, another set of guidelines, not policy." I wondered at the time, and I will put the question to you, who really runs the show on wetlands, Natural Resources or the Provincial Secretariat for Resources Development?

I do not mean that as a legal question. I was thinking that the secretariat's estimates are coming up. I do not know whether I should be concentrating on doing some work on wetlands there or with you.

Mr. Stokes: The buck stops here.

Hon. Mr. Pope: We initiated the policy paper. We took it to resources development committee of cabinet. From the resources development committee of cabinet it went to the full cabinet.

At that time there were discussions to make sure that it would flow under the Planning Act. The only delay in that whole process would be inventory taking, by the way, and allowing municipal comment on the detail of the inventory. Cabinet approved it as a policy within the Ministry of Natural Resources, flowing into the Planning Act once the inventory and the municipal comments are complete.

I guess the answer is it is the Ministry of Natural Resources, and because the Planning Act is involved the Ministry of Municipal Affairs and Housing also has a role in analysing municipal responses.

Mr. Laughren: Does it go to the secretariat; not really?

Hon. Mr. Pope: No.

Mr. Laughren: In a funny kind of way—and this does not have anything to do with your decision-making—that is the kind of issue the provincial secretariat should be in charge of, because it involves all sorts of different ministries. It could provide a very useful role there.

10:20 p.m.

Unfortunately, I do not think the secretariats have much clout in the Ontario system of government so I would not wish it upon them, because I think it needs some clout. I do not know where you are coming from with wetlands either. If the buck stops with you, I do not know why you keep passing it.

I was looking at about three of them. One is at Highway 89 south of Lake Simcoe, which is surely a significant wetland. I look at Glen Elbe down near Brockville. Those are significant wetlands. The other one was Dover township near Lake St. Clair and—

Interjection.

Mr. Laughren: Yes, there are a bunch of them there. Some of them are private hunting clubs. Anyway, those are three areas which I think all include significant wetlands for all the reasons that wetlands are considered significant. I do not know whether they are class 1 or class 2, but I do not think there would be any quarrel that those are what we would all call significant wetlands. If there is a dispute there, I sure would like to know about it. I do not think that is what is at issue.

What I find so incredible is you sit there responsible for wetlands with no budgetary clout for wetlands, whereas the Ministry of Agriculture and Food funds the drainage. They sit there with around \$25 million, in competition with you for wetlands. In a funny kind of way, that is what it often comes down to.

That is not true of the Highway 89 wetlands, where it is a highway and so forth. They are wetlands, and what it comes down to is this \$25-million program calling the shots. The Minister of Agriculture and Food is playing with a stacked deck. I would not want to say you are playing with less than a full deck but—

Mr. J. A. Reed: That is the one that went flying—

Mr. Laughren: No, I was not implying that. It is not a fair game. You have nothing going for you—I am making it worse—whereas the Minister of Agriculture and Food has a \$25-million kitty and he can hand out the grants for drainage.

What do you have to protect wetlands? We do not have a system or even a policy in place that would be part of the deck. The Assessment Act is against you as well in protecting them, because they changed the assessment from rural to recreational and residential. It becomes more valuable; and thus more valuable to drain, so that is against you.

Mr. Stokes: You really do not need money to preserve something.

Mr. Laughren: Except that the pressures, enormous pressures, are greater if there is money on the other side.

You know what is so strange and you know why it is wrong? As a wetland, that is not valuable farm land; by protecting it you are not protecting valuable farm land, not as it is in its present state. When it is drained and all that sort of thing, then you can argue, "Yes, now it is more valuable farm land."

That is what I find so crazy about the system. Until you resolve that, you are going to have trouble protecting these significant wetlands.

I have read through your policy and did not see too much wrong with it. I do not know all the definitions and classifications and so forth, I am not that kind of expert on it. I really wonder what you are doing when these three significant areas, and I do not know how many there are out there, are not being protected by your guidelines.

What are you doing about wetlands? In the statement you made—and all of Ontario appreciates the fact you tabled it—there is an appreciation for wetlands. You do use words like "protection" and that type of thing a lot, which indicates a bit

of ambivalence there but a lot of the words are good.

You need to let us know that you have a commitment there. You need to beef up your support in southern Ontario.

Hon. Mr. Pope: Oh, yes?

Mr. Laughren: That is right. You are not going to do it with Hemlo and you are not going to do it with forest management agreements. You had better start looking at wetlands.

Mr. J. A. Reed: Wetlands and flood plains.

Mr. Laughren: I have noticed a change in the minister's speaking engagements. That is another story.

Hon. Mr. Pope: Do we send you a schedule?

Mr. Laughren: No, you do not; I just follow you. You said in these estimates at one time that I have henchmen all over Ontario. I should be so lucky.

Mr. Stokes: He just phones your wife.

Mr. Laughren: She does not know.

Hon. Mr. Pope: You guys are starting trouble on the record.

Mr. Laughren: When we get to the actual vote including wetlands, I can go into more detail on some of those specific wetland areas.

The significant wetlands must be protected. I do not see this doing it. If it was doing it, the three I mentioned would not be under the threat they are now. I think they are virtually gone as wetlands; for example, that Highway 89 location. It is not because some of your people do not understand and do not support the idea, it is that they are not getting the support from above.

I will stop there for now and look forward with relish to continuing the debate on Wednesday morning.

The Vice-Chairman: Thank you, Mr. Laughren, for your opening statement.

The committee adjourned at 10:30 p.m.

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No. R-10

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources

Fourth Session, 32nd Parliament
Wednesday, May 30, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, May 30, 1984

The committee met at 10:12 a.m. in room 228.

ESTIMATES, MINISTRY OF RESOURCES DEVELOPMENT (continued)

Mr. Chairman: When we adjourned last Monday night, I believe the minister was about ready to respond to the opposition critic. We will turn the floor over to the minister for a few responses.

Mr. G. I. Miller: Do we have any supporting staff here this morning? I cannot see a soul.

Hon. Mr. Pope: The deputy minister is here. The parliamentary assistant is here.

Mr. Laughren: You are assuming they are all supportive.

Hon. Mr. Pope: I think I can, as a matter of fact. You raised a number of questions in your initial comments that I want to answer, if I may.

First of all, as you appreciate, when you put your questions on Orders and Notices, the critics from your party put similar questions on Orders and Notices with respect to all ministries. The response that came back was a government-wide response that these questions were properly dealt with in estimates.

Mr. J. A. Reed: I am sorry, but here is a response from the Ministry of Revenue.

Hon. Mr. Pope: Yes, which were tabled in their estimates discussions. Yes, there were, I am afraid; I know for a fact that they were.

You and all the other critics in your party, if you will check, received a government-wide response.

Mr. J. A. Reed: And this response was tabled at the beginning of estimates?

Hon. Mr. Pope: Exactly. The response that your party received from all of the government ministers was that these matters would be dealt with in estimates and were properly the subject matter of estimates discussion. For you to indicate in the House yesterday that I had no intention of answering your questions or was going to stonewall was completely inaccurate, and you knew it.

You knew as well, as I had indicated to you in estimates, that I was going to reply to your questions. You put them on the record. Before I

had a chance to reply, you were standing up in the House and saying I was refusing to answer them. That was not true; I was not refusing to answer them.

I had not had a chance to complete my reply when I deferred to the critic for the New Democratic Party, who wanted to start his comments at 9 o'clock on Monday night. I intend to answer your questions and always did intend to answer your questions. Do not mislead the House by—excuse me—

Mr. Chairman: Oh, oh.

Hon. Mr. Pope: I withdraw that.

Mr. J. A. Reed: I still do not have them.

Hon. Mr. Pope: If you will just be patient, I am getting into it. I just want to make clear that when you said that yesterday in the House, you knew there were going to be responses to these questions coming in estimates. You also knew it was government policy that these questions be dealt with in estimates.

For you to stand up and say that I was not going to answer your questions, that I was stonewalling you, just was not true. The government-wide policy—

Mr. J. A. Reed: This is the third day of estimates.

Hon. Mr. Pope: I had my opening statement the first day. Then the second day you had your opening statement. I was starting my reply to you. The critic for the New Democratic Party wanted to go on from 9 o'clock until 10:30. This is the first opportunity I have had.

The same thing happened in the estimates of the Ministry of Intergovernmental Affairs. Before the Minister of Intergovernmental Affairs (Mr. Wells) had had a chance to answer the questions, the member for Ottawa East (Mr. Roy) had moved that the committee rise and report. You know full well that the minister was getting ready to answer those questions but the member for Ottawa East moved his motion that the committee rise and report before he had a chance to say anything.

Mr. Riddell: Mr. Chairman, on a point of order: Are these the estimates of the Ministry of Natural Resources or is this a lecture that we have been invited to attend today? If it is a lecture, I might have better things to do. If we are going to

do the estimates of the ministry, let us get at them.

Hon. Mr. Pope: I had to listen to a lecture yesterday for half an hour in the House and I was not given a chance to reply. All I am doing is replying.

Mr. Laughren: You chose not to reply.

Hon. Mr. Pope: I beg your pardon. I stood up twice—

Mr. Laughren: At the very end.

Hon. Mr. Pope: That is not true. I am sorry, but that is not true.

Mr. Chairman: Minister, can we spring into the responses to Mr. Reed's opening statement?

Hon. Mr. Pope: The first was a question which he put on Orders and Notices as question 16:

"Would the Minister of Natural Resources indicate the following: (1) the amount spent by the ministry for (a) management consulting services, (b) technical consulting services, (c) communications services, (d) legal services, (e) research and development services and (f) creative communication services, as defined by the Management Board of Cabinet Manual of Administration, for the fiscal years 1978-79 to 1982-83 inclusive; (2) the number of contracts involved in each of the categories and for each fiscal year as outlined above; (3) for each of the these contracts, name the individual, individuals, companies or firms awarded the contracts, and indicate whether or not the contracts were tendered?"

During the fiscal year 1982-83, the Ministry of Natural Resources spent for management and technical consulting services and other related items, \$3,017,605.41 on 403 transactions; communication services and creative communication services and related items, \$2,519,816.73 on 5,512 transactions; legal services, \$692,251.37 for 170 transactions; research and development services, \$3,725,416.85 on 1,252 transactions.

Additional information requested for 1982-83 would require manually analysing each account for content. The information requested is not available in the format and detail requested for any year. It has been reported above in available detail for fiscal year 1982-83. To produce the information in the format and detail requested would require hiring an analyst for a period of at least six months to extract the material manually. The cost of doing so would be in the neighbourhood of \$16,000. I do not think that is the kind of expense you had in mind.

Mr. J. A. Reed: Are you saying the answer is not available to part 3 of that question?

Hon. Mr. Pope: You asked for the years 1978-79 to 1982-83.

Mr. J. A. Reed: Yes.

10:20 a.m.

Hon. Mr. Pope: Okay. Creative communication services as defined by Management Board of Cabinet Manual of Administration for fiscal years 1978-79 and 1982-83. There was a communications branch expense of \$1,060. There was a contract for \$12,674.01 for St. Lawrence Exploration and Development. There was a \$302.60 purchase from northwestern region. Ignace district expense and disbursement was \$209.69. Kenora district during this time had expense and disbursement of \$22.85. Red Lake district had \$24.50.

Nipigon district had \$101.12. Thunder Bay district had \$25. Gogama district had \$9. Kirkland Lake had \$380.92. Moosonee district had \$23. Bracebridge district had \$48. Minden district had \$227.60. Parry Sound district had \$163.49. Napanee district had \$20. Tweed district had \$13.37. Cambridge district had \$22. Lindsay district had \$44.26. Aylmer district had \$244.50. Chatham district had \$111.72. Dryden regional fire centre had \$9.18 and \$720. Orono tree nursery had \$19.60.

There was a contract with Advance Printing Ltd. for \$275.10, and a second one with Advance Printing Ltd. for \$940.38. Algoma News Review had a \$380 account for three different ads and another item for \$1,679.30. Almaguin News had a \$42 account and a \$31.50 account. Almaguin Publishing had a \$546.40 account and a second one for \$730. Almonte Gazette, \$251.18. Arrow Printing and Publishing, \$200, and a second account for \$184.87. Atikokan Progress—

Mr. Stokes: On a point of order, Mr. Chairman: You can see what is happening here. I forget how many questions Mr. Reed put on Orders and Notices, but the minister obviously is going to spend the next two hours and six or seven minutes answering all the trivia that was contained in there.

There may be some important questions, questions that would lead Mr. Reed to ask the minister to expand or to further explain the detailed responses he is reading into the record. However, I do not think it is a good use of the time of this committee to have all that trivia—a \$100 expenditure in Chatham, or wherever, throughout the province—read into the record.

We have a limited amount of time to discuss the estimates in what I think is, certainly in terms of the north and generally throughout the province, one of the most important functions of this government.

I do not intend to sit here and tolerate the minister reading all that detailed information. Would it not make more sense, and the best use of our time and taxpayers' dollars, to have the minister table those answers? At another session, or perhaps later this morning, Mr. Reed can come in and say, "About question 34 or 57, would you mind expanding on it just a bit?"

I think it is a waste of the committee's time to have the minister read all that stuff. It is going to take him at least two hours to read all that information into the record. I think it is a waste of our time and taxpayers' money.

Hon. Mr. Pope: Maybe I can handle it this way then. During 1982-83—I think you want to get to the Camp contract, and I will deal with that in a separate question—we were doing advertising for the land use planning exercise. We entered into advertising contracts, both for space in newspapers and for the development of the ads by the local newspaper staff. For the land use planning open houses that were being held, we also advertised in regional forums.

In 1982-83 as well, we started doing the advertising for the forest management agreements before they were executed, and 1982-83 was the first year we started advertising for the 20-year plans and five-year plans being available in open houses under another process we instituted. Most of the contracts and transactions virtually across the province related to advertising that kind of open house.

If you are talking about an advertising budget for provincial parks or the nature of our contract with Camp Associates, we can specify and I have some detail on that.

I am just trying to point out the nature of your question. I was just making the point that for the year 1982-83, this was the information we had available. We cannot extract it because we do not have a computer system available for the years prior to 1982-83. We would have to go to each district office, because it is all handled through the districts, and try to pull out these day-to-day contracts, which were entered into by the district on instructions from head office, for all these newspapers for any of the advertising we did.

We can talk about the parks advertising budget and how we placed ads in those newspapers or on radio or television, or we can talk about the Camp contract. But if you want the information on all

the other items, I would have to go through district by district and virtually read it all into the record.

Mr. J. A. Reed: Does the district not submit a budget to your office?

Hon. Mr. Pope: No. In 1982-83, advertising and communications was centrally directed. What happened was that for land use planning, which was a centrally directed program, and for the forest management agreement process, because we had a policy change in terms of open houses being held and being advertised, it was being directed out of the different branches of the ministry. They would flow through communication services; then the district planners at the local level, in response to our request to have ads placed, would contact the local media and place the ads.

Mr. J. A. Reed: I want to say to the minister, and for the benefit of all the members of this committee, that the only thing I am getting at is that if the answers to those questions were available in print, as Mr. Stokes has suggested, and perhaps in a manner not dissimilar to the way the Ministry of Revenue provided its answers, then as the estimates proceeded—Mr. Stokes is quite right—it would give the opposition members in particular a chance to peruse those answers and ask for some expansion.

That is really the object of the exercise, and it is the object of my concern about having the answers to the questions at the beginning so that as estimates proceed, we could expand on some of those salient points. I do not want to take all the time of estimates or an undue amount of time. I am sure the minister does not want to take it up reading little details into the record.

If we had that material simply in print and available, then we could say: "Look, on page 3, there is such and such, and such and such. Would you mind expanding on that?" It would also give the minister time to perhaps produce the information before the end of estimates.

Hon. Mr. Pope: But this is not like the Ministry of Revenue. In 1982-83, we entered into almost 8,000 arrangements with respect to consulting or advertising services. Your question asked us to go through 8,000 arrangements a year—that is what you wanted me to produce—back to 1978-79, manually extracted from our records.

10:30 a.m.

Mr. J. A. Reed: You have to have some way that you consolidate those expenditures. If you do not, how do you operate your ministry?

Hon. Mr. Pope: We operate it on a district-by-district budget, with allocations for certain line programs. They are all set out in the estimates statements. There is nothing hidden or magical about them.

These are the kinds of contracts we enter into. There is no massive advertising budget that is not brought to the attention of yourself as critic. You see the \$1-million parks advertising budget. You are aware it is going on. You know who is running it. There is no secret about that.

Mr. J. A. Reed: I do not think that is the point of the exercise, with respect. The point of the exercise is that the public of Ontario should have access to the way the public moneys are being spent. That is really the point we are trying to make.

If the information cannot be extracted, if the ministry cannot produce it, then perhaps the ministry's own operation, as to how it manages its money, should be questioned. You can bring up that tangent in the debate too.

The fact is that we, as members of the opposition, really should have access to that information. If we do not, then there will always be questions remaining about the expenditure of funds. It is all well and good to talk about the mass of expenditures and the macroexpenditures and so on, and we all know about those, but in the day-to-day operations of a ministry that spends \$400 million a year, surely the public of Ontario are entitled—

Hon. Mr. Pope: All right, then we will hire someone. For six months, he will go to every district and pull out all the vouchers for every advertising contract arrangement that we have entered into since 1978. We will read them all into the record, if that is what you want. You can examine whether or not the public is being well served by the Ministry of Natural Resources.

All I am telling you is that every ministry is different. We have over 8,000 contractual arrangements a year in the Ministry of Natural Resources. That is what your question asked us to pull out, all the way back to 1978-79.

You may say that the public is not being well served because we have not done it yet. If it is your feeling that we should have someone go around to all the districts, go into all of the old files, pull out all of these vouchers, with detail of which newspapers we have advertised in back to 1978, if that is what you are saying, then put that on the record and the government will reply to it.

Mr. G. I. Miller: Mr. Chairman; do you not make out a budget and do you not—

Hon. Mr. Pope: The budget is contained in the estimates.

Mr. G. I. Miller: No, no, but do you not have a budget and do they not have on an annual basis what you are spending on advertising? Is that not very simple?

Hon. Mr. Pope: Yes, it is in the estimates and I just read it into the record.

Mr. G. I. Miller: You are making such a big deal of it and I do not think it—

Hon. Mr. Pope: No, I am not. He said he wanted the information for the fiscal years 1978-79 to 1982-83. I am not trying to make it a big deal. I am trying to indicate that there are 8,000 arrangements a year. He wants information on 8,000 arrangements a year going back to 1978-79.

I am just saying that, yes, we do provide the global budget in the estimates statement. Yes, I have broken it down between management and technical consulting services, communication services and creative communications, legal services and research and development services. I have given him the number of transactions involved in the expenditure of those moneys.

If you want more specific details, what we have been saying is we would have to get someone to go out into the districts and extract that information.

Mr. J. A. Reed: Minister, how is the Provincial Auditor then able to look at the Ministry of Natural Resources expenditures and decide whether certain specific expenditures come within the terms of the Management Board of Cabinet manual or whether they do not?

Hon. Mr. Pope: He sends an auditor in and the auditor reviews our general expenditure classifications.

For instance, there was a discussion in last year's audit report about the fact that a Management Board order had been delayed for two months. There had been a transfer from one mineral resources program to another. There had been an argument between our audit staff and the Management Board staff and the Provincial Auditor's staff as to whether or not it was a statutory or nonstatutory item and, therefore, whether that transfer of funds could take place within the Management Board order.

After the fact a decision was made, for instance, to go to the Management Board for the order, because there was some question about whether or not we needed one. We decided to get one. Management Board, after the fact, approved that transfer, and the auditor was drawing

the attention of the members of the assembly to the fact that the Management Board order had come three months after the actual transfer had taken place.

Technically, it was an overexpenditure in that specific program although, in reality, it was a transfer between programs in the mineral resources field. They send their auditors over to look at the global figures and the global program allocations. They do not go district by district—and they do not go conservation authority by conservation authority, by the way, unless there is some specific problem drawn to their attention. That is my understanding of how they do it.

Mr. J. A. Reed: I think what you are saying, and what we are getting out of this exchange, is that your head office does not have good control over what is happening to expenditures in the field.

Hon. Mr. Pope: No, I am sorry, that is wrong. That is not true. We have a process whereby budgets are set on a district by district basis. They go to the regional staff. The regional staff reviews them in the context of regional priorities, and makes the decision on program funding allocation.

That goes to the assistant deputy ministers for northern and southern Ontario, who do a review of all the regional budgets within their fields of responsibility. It then goes to a management committee of the Ministry of Natural Resources. I sit in on the meetings with the deputy, and we review all that documentation. When the budget is set—

Mr. J. A. Reed: Are they not tallied and put on some record, so we could get them—

Hon. Mr. Pope: They are in here. They are in the estimates.

Mr. J. A. Reed: Oh, sure, but I think that what is in here is not what we are specifically asking for.

Hon. Mr. Pope: I just gave you a breakdown in response to your question, trying to answer what you were specifically asking for. If you want more detail, on a contract by contract basis, we are talking about 8,000 arrangements a year that you want reviewed.

If that is the kind of thing you want reviewed, after the budget allocation process, there is no such thing as the minister's office calling up halfway through the year and saying: "Cancel the advertising for the public forum on the land use planning process in Almonte. We are not going to put an ad in that paper."

They have been asked to put in advertising for certain ministry programs that are being pursued during the year. It is something done on a district by district basis throughout Ontario. The only variation is in the local advertising rates for the placement of the ads and for doing the artwork in preparation for it.

Mr. J. A. Reed: As an example, let us suppose that a contract is let for a project. It is done on a bid basis, and the contractor is awarded the contract, but after the contract is awarded some changes take place which dramatically escalate the cost of the project.

How do we get access to the process that took place, and the justification for that change in the amount of the contract, something that might have been altered after the contract was awarded? That happens more than occasionally.

Do you not feel that we, as custodians of the spending of public moneys, should be able to say: "Okay, minister, here is a particular situation. What happened here? How did this particular bid happen to get escalated from X thousands of dollars to X plus 40 per cent thousands of dollars, or whatever it is? What were the circumstances surrounding that?"

As it sits now, we just do not have—

Hon. Mr. Pope: If you want to sit there and review 8,000 contracts a year, you will not have time to sit in the Legislature. If that is what you are asking—you know, I really think that is nonsensical.

If you have some information that there has been an acceleration of a contract price beyond what it should have been, then you can bring it to my attention, and I can pull the specific contract to have it analysed.

10:40 a.m.

Mr. J. A. Reed: How do we know, unless we can see it?

Hon. Mr. Pope: I do not know. Then, if you do not have any information that something is wrong, then you want to get some information on 8,000 contracts just in case there is something wrong. That is a little different from the initial position that there is something wrong you want to have reported.

If you want to analyse 8,000 contracts a year to see if anything has gone wrong, all I can tell you in response is that for different program areas there are different financial limits for different levels of the ministry that cannot be exceeded on a contract by contract basis. That is all set out in the Manual of Administration of the ministry.

If you want to read the Manual of Administration, there is no problem, I will have it shipped over to you and you can read all—how many volumes?

Mr. Sloan: Two large volumes of the Manual of Administration.

Hon. Mr. Pope: We will send you the Manual of Administration that lays out the whole process of financial limits on exercise of discretion at a local, regional and Association of District Municipalities level. It is all set out in there. They are all required to make these kinds of decisions.

If there is a change in a contract that brings a contract beyond the local discretionary level, then it has to be reviewed at the regional level. The regional people have responsibility to report any of those changes or to exercise their discretion in whether or not they will okay it. If it goes beyond the regional level, then that has to be reported to the next step up the chain.

Mr. Stokes: Mr. Chairman, again I am appealing to you. We have spent almost 40 minutes on this. I do not know whether Mr. Reed has anything specific that he wants to be critical about or if he is just seeking specific information.

I am not an apologist for the minister or the ministry, but I subscribe to six or seven weeklies and one daily in my riding. It is rare day that you do not see an ad in one of or all of them placed by either the Ministry of Transportation and Communications or the Ministry of Natural Resources.

Mr. Laughren: The difference is that the minister's picture is always in the Natural Resources ad.

Mr. Stokes: Not necessarily.

Hon. Mr. Pope: No, it is not. As a matter of fact, it hardly ever is.

Mr. Stokes: Given the nature of my riding, the Ministry of Natural Resources has a much higher profile than most other ministries, because we deal with resources, whether we deal with fishing, wild life, mining, land use guidelines or amendments to forest management agreements. I have three or four of them coming up in my riding over the next several weeks. If I was not made aware of that, I would be very critical, because, as an elected member of this place, I have to know what is going on. I want to know before they make the decision, not after.

I insist on information from the regional offices or, in fact, the minister, depending on the nature of the information they are trying to disseminate or the kinds of changes. If they did

not do that, I would be the first one to criticize them.

In deference to you, if you have something specific that you want to bring up and expand on, I will sit and listen to you.

Mr. J. A. Reed: Mr. Chairman, with respect to the member for Lake Nipigon (Mr. Stokes), the exercise is in the public's right to know. That is the beginning and end of it. Obviously, the minister has difficulty in being able to produce a certain specific kind of information. That has been established here this morning.

These questions are asked because this is an expenditure of public money. The ministry response here is that, to be most generous to him, he would have difficulty in assembling, collating or whatever, that kind of information. That is what is at stake.

Without belabouring this any longer, I would suggest to the minister that I do not think this method of accounting is necessarily serving very well the people who pay the shot.

Hon. Mr. Pope: Then you completely disagree with the public auditor, the Manual of Administration, the Provincial Auditor, and the established process. If you want to know each detail of the 8,000 contracts every year so you can go on some—

Mr. Laughren: Why are you so provocative?

Hon. Mr. Pope: Because of yesterday—through some hunts, through all the records in the district office. Be my guest. If you think there is some dark, hidden secret in some recess of some district office, be my guest. If you want, we will read into the record 8,000 arrangements—

Mr. Stokes: You can see what is going on—

Mr. Laughren: You are just being petulant.

Mr. Stokes: The next order of business, I think, is for the minister to respond to the opening comments of my colleague, the member for Nickel Belt (Mr. Laughren). If you want to do that, fine and dandy. I am prepared to sit and listen. If you are not, I have more important things to do.

Mr. Chairman: Thank you, Mr. Stokes. We are not going to come to a solution here. It is fairly obvious. I do not think the minister is able to provide the answers in the form that the member wishes.

I agree with what has been suggested: if there are specific areas, based on the information the minister has provided, I think we are certainly all entitled to hear that.

Mr. G. I. Miller: I would not want to go back to my district and say that the Liberals have been

forcing the manager down there to take a week or two to sort out all those damned contracts. We have other things to do.

I think we are just asking for a simple explanation, not a complicated one, which is going to be accountable and acceptable to the opposition.

Hon. Mr. Pope: I think the member is right, and I agree with him. That is the position I am trying to put before the committee.

I am prepared to read out details of the 1982-83 contracts, and to take the time of the committee to do it. However, I think the member is right. If there is a specific problem that is brought to my attention, I will review it with any member who brings it to my attention.

Although we can do it, I do not want to have a process of going back all through the years to 1978-79, to pull all these contracts out so that we can provide all that massive documentation and information.

It is there. I am not hiding it. If that is what you want us to do, we will go ahead and do it. It is going to take a lot of time and it is going to cost some money. I am not aware of anything hidden in some recess of some district office.

Mr. Chairman: Mr. Reed, are you prepared to accept the process as the minister has—

Mr. J. A. Reed: No, I cannot accept it. However, I am certainly prepared to get on with the estimates and to deal in the specifics of certain elements of these questions as we get on with the votes.

Mr. Chairman: I think that is acceptable to the minister and to everyone here concerned. Thank you.

Hon. Mr. Pope: Not to try your patience, but the other questions which were posed in his opening statement were briefer. He wants information—

Mr. Chairman: He asked for information and you want to table it, yes.

Hon. Mr. Pope: Another 10 minutes should do it, if you will bear with me.

“Would the Minister of Natural Resources indicate the number of people who are employed by the ministry, by contract or otherwise, who are not classified as civil servants? Would the minister indicate the total cost incurred for these services for the fiscal years 1981-82 and 1982-83?”

As of March 31, 1984, the answer is 1,614. For the fiscal year 1981-82, the cost was \$69,117,859.05. For the fiscal year 1982-83, the cost was \$68,282,914.26.

The total number of noncivil service employees on March 31, 1984, is composed of unclassified staff, 1,601; temporary help services, 13, to make the total 1,614.

10:50 a.m.

The total cost of these services for the years in question is composed of: unclassified staff hired under the Public Service Act, \$67,795,782.05. That includes \$3,730,548.24 for the St. Lawrence Parks Commission, which you are aware was no longer in the ministry at the end of that year. Temporary help services, \$1,322,077, for a total of \$69,117,859.05.

The 1982-83 unclassified staff hired under the Public Service Act, \$66,740,115.26; temporary help services, \$1,542,799. That is a total of \$68,282,914.26.

“Would the Minister of Natural Resources indicate how many vehicles are rented, leased or owned by the minister? What is the expense incurred and description, model and year of each vehicle owned or rented by the ministry?”

Mr. Stokes: Here we go again. Why do you not table it?

Hon. Mr. Pope: If I may, I will only give you a partial answer.

Mr. J. A. Reed: It is all right to table it.

Hon. Mr. Pope: These are basic models for all manufacturers: subcompact cars, three; compact cars, 175; full-size cars, 94; pick-ups, 788; four-wheel drives, 272; cabs, crew cabs and cargo vans, 78; passenger vans, 136; buses, eight; one-ton cabs and chassis, 93; larger cabs and chassis, 168; total, 1,815.

Age of the vehicles: 1974 and older, 115; 1975, 64; 1976, 65; 1977, 144; 1978, 150; 1979, 295; 1980, 355; 1981, 280; 1982, 270; 1983, 77.

Cost of vehicles in the fleet that we own: travel was 38,318,744 kilometres at a total cost of \$7,608,984.

For rented vehicles, there are 1,342 at an average of five to six months per vehicle. The rented vehicles travelled 15,957,344 kilometres at a total cost of \$4,508,323.

Mr. J. A. Reed: I did not ask for that information.

Hon. Mr. Pope: We can give you a breakdown of the rentals as well, which you asked about. It is: subcompacts, 19; compacts, 149; full-size cars, 51; pick-ups, 784; four-wheel drives, 78; crew cabs and cargo vans, 70—

Mr. Chairman: Are you interested in all this?

Mr. J. A. Reed: If he would table it, it would be much easier.

Hon. Mr. Pope: —passenger vans, 166; buses, 9; one-ton cabs and chassis, 13; larger cabs and chassis, 3.

You wanted summaries for the years 1981-81, 1982-83, 1983-84. We can get you that breakdown if you want it. There is no real change, by the way.

In 1981-82 there were 1,457 rental vehicles. It has gone down to 1,100 for 1982-83. In 1981-82, the cost was \$4,019,494. It has gone down to \$3.8 million in 1982-83. This is 1981-82 versus 1983-84 estimates. Therefore, the number of cars rented has gone down and the cost of them has gone down.

The number of owned vehicles has gone from 1,771 to an estimated 1,830 this year. The cost has gone from \$6.6 million to \$7.5 million. The 1983-84 figures are estimates.

Mr. Stokes: Does anyone know any good stories, any new songs or something?

Hon. Mr. Pope: The ministry has—

Mr. Chairman: The minister committed himself to answer Mr. Reed's questions.

Hon. Mr. Pope: I was told in the House yesterday that I was not answering.

Mr. Stokes: I do not care. I object.

Mr. G. I. Miller: Give him the book.

Mr. Chairman: The questions were asked by Mr. Reed. In his opening remarks, he wanted responses to these.

Mr. Stokes: Will you ask the minister if it is possible for him to table the responses to those questions?

Mr. Chairman: That is a fair question. Can you table those responses?

Hon. Mr. Pope: We are just getting into the juicy stuff.

Mr. Chairman: It looks rather thick, though. I think there are a lot of unread pages.

Mr. Stokes: You may characterize it as being "juicy," I call it stonewalling.

Hon. Mr. Pope: It is not. The questions were asked, and the member was asking for answers. I am trying to give them to him. For instance, he asked me if Mr. Yakabuski or I had limousines.

Mr. Laughren: Minister, this is really part of your attitude towards estimates.

Mr. Chairman: Can you provide that information to Mr. Reed in the written form?

Hon. Mr. Pope: I will tell him. I do not have a limousine according to the definition, but I do have a car. Mr. Yakabuski uses a car on occasion and other ministry staff use my car on occasion.

We have a driver and his name is Charlie Thompson.

Mr. J. A. Reed: This is the kind of information you could have tabled.

Hon. Mr. Pope: You know as well as I do that every critic of every ministry wants this kind of detailed information. You want ministry staff to spend six months going through all of the old contracts for communications and advertising, right back to 1978-79.

I am just trying to indicate that in a ministry like this, the party decision which you people made with all of your critics submitting the same kinds of questions does not fit the Ministry of Natural Resources because of the ministry's nature. It is not that we are not going to answer, but that it does not fit.

You tried to suggest yesterday and here again today that somehow we were unwilling to answer. I am not unwilling to answer the questions.

Mr. Chairman: Are there any questions, minister, other than these technical ones, on which you will respond to Mr. Reed?

Hon. Mr. Pope: I can give some information on the other ones. Camp Associates Advertising Ltd. is our advertising agent. For the parks advertising budget, there is a competition with a budget, which we set in the ministry. The analysis was done by the communications services branch.

All the competitors came in and were interviewed with respect to their expertise and experience in the field. The recommendation of those people was that Camp Associates be given the contract. The contract was issued in accordance with those recommendations.

The parks advertising budget is virtually the same this year as it was last year. I could read it out. It is about \$1 million in advertising for the parks. You are aware of the ads. There are both television and radio ads. I do not think we are doing ads in the newspapers this year because of the total cost of them, but we are doing radio and television ads.

You have probably already heard some of them. We advertise at the beginning of the season around this time, in May and June as a matter of fact, to get interest and to get people to start planning to make trips into the parks.

Then, in August, we start advertising a bit, but not too much. About 15 per cent of the advertising is in August to get them to use the shoulder season in late August and on into September. Again, those numbers, those arrangements and that sort of structure of

advertising has not changed since I went to the ministry in 1981.

That is the information on the Camp contract. If I can, I will supply you with some of the other information which you raised.

Mr. G. I. Miller: Could you do some advertising for private camp sites, minister, to give them a little leg up?

Hon. Mr. Pope: I think this has been a problem in the past. It has been the feeling of private campground owners that somehow we may be advertising provincial parks at the expense of the private campground owners. I guess we have been trying to approach that in two ways.

First of all, we are getting concerned about whether or not, if we continue to increase the number of campground spaces in parks, we may be affecting the quality of recreational experience there. Therefore, where we have seen additional pressure to create more camping spaces in the provincial parks, we have tended not to give in to that pressure.

Instead, we have tended to give information to our park superintendents and gate operators about where the private campgrounds are located and what services are available in those private campgrounds.

We actually have brochures or printed pages in many of the parks which analyse the different campgrounds and what they have available. The local operators put that information together for us.

Mr. G. I. Miller: So there is co-operation with private enterprise.

Hon. Mr. Pope: As well, there is co-operation in the creation of new parks. This was one of the things we considered during the wilderness park development process.

We considered whether or not we needed campgrounds at all in some areas of the province, and whether or not the parks should be of a nature reserve category or a wilderness category, with less pavement or services there because there is some available space in private campgrounds.

Therefore, it has also flowed into our parks planning process. However, it has been a source of some concern by the private operators.

Mr. G. I. Miller: You are probably aware of northern Ontario. However, I know that in southern Ontario, in our area, we have had some complaints that it is unfair competition. It is pretty difficult for private people to compete and they do provide jobs in the private areas.

Mr. Chairman: Do you have further answers for Mr. Reed?

Hon. Mr. Pope: Yes. We do intend to designate more parks. We have split the total number of candidates. There are 149 candidates left outstanding from the 155. As the result of a land use planning exercise, we decided to create 155 additional parks.

11 a.m.

We created the six wilderness parks immediately. There are 149 left to be put into regulation. We have broken those 149 down into groups of 20 to 25. We are doing our planning on them. I think the first batch of 20 to 25 is going to go through regulations this summer.

Once they are created, under regulation, the parks' master planning process will immediately start with some public planning processes.

Mr. Laughren: May I ask a supplementary on that? Of the ones you hope to do this summer—the 25 or 30 I think you said—what kinds have you broken them down to? There are such things as nature reserves, and the areas of natural and scientific interest.

Hon. Mr. Pope: The ANSIs are not parks, but areas in which we have special criteria for resource work.

Mr. Laughren: They are not included in this group you are talking about?

Hon. Mr. Pope: No, they are not included. Quite frankly, my own priority is the waterway parks. Those are the parks I have the most concern about across the province, as well as in eastern Ontario—the waterway parks which are coming under increasing development pressure.

It is my feeling we should move immediately, particularly in eastern Ontario and in some parts of north central Ontario, with the waterway park systems. That is not necessarily the view of everyone in the ministry. There are people who feel there are some nature reserve parks that are under development pressure and some of them should be folded into the first group of 20 to 25.

I think the preponderance in the first group will be waterway parks. From what I have been receiving in the mail from different interest groups, I think most people would agree with those priorities.

Mr. Laughren: Are there some of what we know as provincial parks in there?

Hon. Mr. Pope: Yes.

Mr. Laughren: Like Wanapitei?

Hon. Mr. Pope: I see what you are getting at.

Mr. Laughren: I was not going to ask the question originally, so that is why I—

Hon. Mr. Pope: I was not thinking of Wanapitei when I was answering you. I do not know if Wanapitei is in that group or not.

Mr. Laughren: You have not abandoned it?

Hon. Mr. Pope: No, are you kidding? No, we have not abandoned it. I think it is one of those we are looking at.

Mr. Laughren: If we had the head of your parks branch here he would have more detailed information for us.

Hon. Mr. Pope: Yes, but there has been no decision made. He may give you his personal preference, but that will not—

Mr. Laughren: That would be nice to have, too.

Hon. Mr. Pope: But that decision has not been made yet in the ministry. When the decision has been made and I hope I will be involved in it; I generally try to be involved in it, then I would be prepared to give information to the members as to which parks we selected and why. At this point, the parks branch has a certain ideal, and they have certain sensitive nature reserve areas, and I am concerned about the waterways.

On the question about section 23 of the Planning Act and the aggregate industry, I was not sure what the member for Halton-Burlington was getting at. It may be more appropriately directed to Mr. Bennett, but I would indicate that we made a decision that the aggregates policy statement and the Food Land Guidelines to some degree would overlap.

We made some amendments in February 1982. We sent that amended policy out for comment. Then in 1983, after the comments came in, we sent it over to Claude Bennett's office for circulation under subsection 3(2) of the Planning Act. That act did not come into effect until August 31, 1983.

Subsequent to that, during the fall of 1983, circulation of the aggregates policy statement took place. There was some concern by municipalities that there was too short a time frame within which to respond, and we accepted responses through March and April of 1984 from municipalities who were working on responses but who felt they were running short of time.

It is still my understanding that the Food Land Guidelines are in the process, under subsection 3(2)—although I am not responsible as a line ministry for that—but they were developed in tandem and I presume that Agriculture and Food

and Municipal Affairs and Housing are sorting out their processes between them.

All I can tell you is that there was no conscious decision that aggregates would be considered in isolation from Food Land Guidelines; exactly the opposite was the decision. That is why we amended the aggregates policy and in 1982 developed a new aggregates policy that had reference to the Food Land Guidelines in it, as well as reference to specialty crop areas in the Food Land Guidelines and in our aggregates policy statement.

Mr. J. A. Reed: I do not believe that the Food Land Guidelines were circulated at the same time as the aggregates policy, and it is pretty hard for municipalities to connect them.

Hon. Mr. Pope: Yes, but they have the Food Land Guidelines and since the spring of 1982 they have had the aggregates policy statement. They have been able to analyse them in tandem. There has been no withholding of the Food Land Guidelines. The question is whether or not it constitutes formal circulation under subsection 3(2) of the Planning Act.

Mr. J. A. Reed: That is right.

Hon. Mr. Pope: I do not think you can read into that that somehow the interrelationship we developed in 1982 between aggregates and food lands would not continue, and that there would not be a reference in the aggregates policy statement to Food Land Guidelines.

There has been no suggestion within my ministry, or by me, that those references be deleted. We deliberately embarked on a course of trying to integrate the two of them because they would have to be integrated under the Planning Act, in any event, if they were both to be considered at the same time by municipalities.

Mr. J. A. Reed: I think the minister can appreciate the significance of the application of that policy to the Planning Act, in so far as some areas of Ontario are concerned.

The aggregates policy is perhaps not too significant in areas where there is not a great amount of aggregates, but in some areas where you are a major supplier to the metropolitan area—and I am thinking specifically of Halton here, or Uxbridge, or wherever—it does take on an incredible significance because of the gigantic land mass involved in these areas.

Consequently, placing this policy in the Planning Act gives the Minister of Municipal Affairs and Housing a virtual dictatorship, inasmuch as under section 23 he is allowed to declare, by a stroke of the pen, that aggregates

are in the provincial interest and that they supersede anything else. You can appreciate the reason why I brought that subject up.

Hon. Mr. Pope: You take an extractive policy statement, and feel the minister will use that to indicate that there is a provincial interest in aggregates—and obviously there is a provincial interest in aggregates. That is another debate you and I have had before.

There are also food land guidelines that will be under the act. There is also the wetlands policy statement that will be under the act. Some of those are preservation policy statements under the Planning Act that are in the provincial interest. There is not just an extractive bent to provincial policy statements. There is a balance between extractive use of resources and preservation of resources, depending on the actual resource we are dealing with. They all have equal importance under the Planning Act.

You may think Mr. Bennett would arbitrarily ignore the Food Land Guidelines and select only the aggregate policy statement. I do not think that is the way the provincial policy statements were meant to intermesh.

Mr. J. A. Reed: With respect, what is changing is that the whole aggregates decision-making process moves from ultimate municipal to ultimate ministerial. In 1980, the attempt was made by your ministry, under the Aggregates Act, to accomplish that, and a part of that bill was that the minister would have absolute control.

It was a clause which met with universal opposition from municipalities. Under the present act, where you regulate gravel, there is no such—if you like, from a municipal point of view—ultimate dictatorial capability on the part of the minister.

11:10 a.m.

Hon. Mr. Pope: Oh, but there is. I have never exercised it, but under the Pits and Quarries Control Act, I am entitled to issue a quarry permit or a pit licence. The Ontario Municipal Board has the right to rule on zoning matters. Secondly, if there are objections, the OMB makes recommendations with respect to conditions on the licence.

Mr. J. A. Reed: There is no forcing of official plans, or whatever, under the Pits and Quarries Control Act.

Hon. Mr. Pope: No.

Mr. J. A. Reed: If you look back at the thrust of the old aggregates act, or the so-called new Aggregates Act, you will recall that the thrust was there to reduce municipal control and

increase ministerial control. It was so controversial that there were 132 amendments offered. The late James Auld, who was then minister, had prepared a response containing 45 amendments to that bill. Then, of course, we had the reality of March 19, 1981, which intervened.

We have not seen the Aggregates Act surface again, although there has been an indication from you that you would be introducing this bill. Occasionally, I have seen a text of the bill circulated, but it has never come to the surface.

Now we have a move made to accomplish the same kind of centralization of control by simply slipping the policy into the Planning Act and giving the Minister of Municipal Affairs and Housing (Mr. Bennett) the same kind of power you would desire to have under the Aggregates Act. I think that is a cause of very widespread concern.

Hon. Mr. Pope: If you think that I or the ministry were somehow involved in drafting subsection 3(2) of the Planning Act, you are mistaken. I was not involved, and it was not a subversive move to do what we would not be able to do under the Aggregates Act.

Mr. J. A. Reed: It was there like a Mac's Milk store—for convenience.

Hon. Mr. Pope: The reality is that I proposed five amendments to the Aggregates Act as amended by James Auld. I gave you copies of those amendments. You were aware of where I was heading on the issue.

Mr. J. A. Reed: Yes.

Hon. Mr. Pope: You would probably object to two of them, and you would probably support two or three of them in terms of status for objectors and things like that.

Mr. J. A. Reed: We had a few amendments ourselves.

Hon. Mr. Pope: There is no conscious effort by myself or by the ministry to do indirectly through the Planning Act what we were having trouble accomplishing under the Aggregates Act.

The aggregates policy statement has existed for a long time. It was a 10-point policy. There was some argument as to whether or not cabinet had really approved the 10 points because it was a summary of 16 points. That argument went on through the late 1970s and into the 1980s. The policy statement has been around that long.

At the same time, in 1980, the Aggregates Act was dealt with by a committee over a period of some months, I understand. The policy statement and the Aggregates Act were always out there in some form. We amended the 10 points in 1982.

Part of the amendment was to give some credence to the Food Land Guidelines in the context of aggregate extraction, and to show that it had some importance and relevance to be considered.

The reality was that if there was any provincial interest or control, if there were an OMB appeal, if there were an appeal to cabinet, it was obviously circulated, and that provincial interest was expressed by the minister from time to time when he saw fit.

Cabinet, in its wisdom, would decide whether or not—in certain circumstances or a case that was before it—it warranted some intervention, some overturning of the OMB decision or some support of the OMB decision. There was some involvement by the provincial cabinet in zoning matters on appeal from OMB decisions, and there always has been.

At the same time, the Pits and Quarries Control Act allowed the minister, once zoning was through, to issue a quarry or pit licence, or to refer it to the OMB if there were objections.

I made a point of seeing that whenever there was an objection, no matter if it was one objection, it went to the Ontario Municipal Board. I have also made it a point that any recommendations of the OMB are put into the conditions on the licence. Any specific conditions recommended by the board have always gone into the licence when I have made a decision.

Somehow, the interests of the province in having gravel extracted and used in accordance with the policies of the government and the role of the municipalities in planning have to come together. There has to be some integration of two of those interests. All we are doing is searching for some ways to do it.

Mr. J. A. Reed: You have tried it in different ways and you have met with real, honest, hard-core resistance. The minister knows that. We were at a meeting together in the great town of Acton last year. You probably got as good a reading of the response of those people who are directly affected as you could get anywhere. A decision to force aggregate zoning, which is what your ministry tried to do—

Hon. Mr. Pope: No, they did not.

Mr. J. A. Reed: Well, go out and talk to my people in Halton and you will certainly get a different point of view.

Hon. Mr. Pope: You have said that for two years, but I am telling you they did not try to do that. You have been telling them that for two years.

Mr. J. A. Reed: They have been telling me.

Mr. Chairman: I wonder if we could continue the discussion on this under the appropriate vote and move on to the response to Mr. Laughren's statement.

Mr. J. A. Reed: I am quite willing to do that.

Mr. Chairman: Fine.

Hon. Mr. Pope: Yes. I guess we will get back to this.

Mr. Chairman: We will probably have time, and there will probably be other people who wish to join in the discussion. In response to Mr. Laughren's statement—

Hon. Mr. Pope: Are you trying to give me some direction?

Mr. Chairman: Yes, just a little bit of direction. I am just trying to be helpful.

Hon. Mr. Pope: I would like to put on the record, in response to Mr. Laughren, some of the changes I have tried to make as minister. There will be universal disagreement amongst my opposition colleagues with respect to the results of it.

We initiated 184 open houses and seven regional forums under the land use planning program. Ten thousand people attended the open houses. The estimates are about 4,000 to 5,000 in the seven regional forums. Staff were at the open houses to answer questions and provide information on resource extraction, development and preservation plans in each of the districts of the Ministry of Natural Resources.

There were some important regional or province-wide issues that people and organized groups had some concerns about. They felt they wanted to have a chance publicly to air their views. We had regional forums in different parts of the province. We tried to cover each part of the province. Groups appeared and made presentations.

All the individual letters that were written, all the questions that were asked, as recorded by staff at the open houses, and all the briefs submitted at the regional forums are in the ministry library. They are available to the members.

At the same time, we were changing our policy with respect to forest management agreements, where the agreement was made available at open houses. Now, as was referred to earlier, 20-year and five-year plans are advertised for public display and people can come in and look. Many tourist operators, hunting and fishing clubs and others with some interest in the areas do come in.

There have been objections on a number of operating plans with respect to the routing of roads, the degree of access. In some instances, some of the clubs had better local knowledge of fish and game habitats than our local staff did. They provided us with some additional suggestions, some of which were incorporated into these documents.

At the same time, we were running into problems with a 25-year-old policy on flood plain management. We sent Grant Ferguson, the mining and lands commissioner of the ministry, down to the Niagara region for three days of formal public hearings. He filed a report, his analysis of the situation, which I gave to the flood plain fighters when it was received by me. They still were not happy.

11:20 a.m.

We then formed an independent committee, chaired by the member for Prince Edward-Lennox (Mr. J. A. Taylor), which went around the province, listened to briefs and representations by hundreds of people who came out to those public meetings and voiced—

Mr. Laughren: Excuse me, to what part of my presentation are you responding at this point?

Hon. Mr. Pope: Your reference to my bunker mentality.

Mr. Laughren: You are not dealing with my questions.

Hon. Mr. Pope: We then had some concerns about moose policies. We had public forums on moose policies in Timmins, Iroquois Falls, Sudbury, Thunder Bay and, latterly, Toronto, where hunters could come out and express their points of view on moose policy and give us some alternatives.

What I am trying to say is we have tried to have an enhanced public consultation program in place for the areas of ministry activity where there was some disagreement or controversy and we have tried to do it so as to involve as many different groups as possible.

I have also tried to make myself available to many groups for their meetings up in the Parry Sound area. I have been to meetings of the cottagers' association and with the tourist outfitters' association.

Mr. Laughren: At some point you will get to what this has to do with your bunker mentality, will you?

Hon. Mr. Pope: Yes. What I am trying to say is that if you look at what has happened in the last three years in terms of consultation with the public, in terms of making material available to

the public, there have been significant improvements. I do not think there has been a bunker mentality in this ministry whatsoever.

I think we have been more forthright, given more information to the public, given them more opportunities to involve themselves in the decision-making and the analysis of resource issues than at any time in the past. You can say it is a bunker mentality, but there is no way it is a bunker mentality.

The people who have taken the time to go out to the open houses on land use planning, to the open houses on forest management agreements, to the forums and to talk to the Taylor committee do not agree with you. For the first time in many years, they feel they have had an opportunity to directly have their say. I think there has a lot of improvement in this ministry, improvement I am proud of.

Mr. Laughren: That is total nonsense.

Hon. Mr. Pope: You may want to manipulate the issue, but I feel confident, with the public consultation devices we have in place, that people think they are having access to the ministry and they are having a chance to express their viewpoints.

Mr. Laughren: You decide what they will see and what they will get.

Mr. Chairman: Does that answer your question on bunker mentality fully enough, Mr. Laughren?

Hon. Mr. Pope: I am saying we have made some improvements that neither party in their comments has referred to. To put some balance into the publicity and the communications efforts of this ministry in the last three years, I am stating the other side of the coin, which I think I am entitled to do.

In view of the nonsense I hear once in a while in certain press releases in certain communities in northern Ontario, I think I am entitled to put on the record the fact that there have been significant improvements in the information we make available to the public and in the processes we use to try to get them involved. We are certainly making progress.

Mr. Laughren: I think it is getting worse, to tell you the truth, not better.

Hon. Mr. Pope: You would think anything I did was making things worse, but I really do not care what your attitude is. The people of this province have had opportunities in community after community that they never had before to come out and see in detail what the ministry is doing and to make comments on it.

You may think we have not listened to the people of the province. Go and read the documentation in our library about the 10,000 people who wrote to the ministry in the land use planning process and see what effect it had. Ask the people who were at the seminar you have never recognized ever took place, the two-day meeting of interest groups in Scarborough, and they will tell you to a man that all of those comments for every district were available there. They were used both by the interest groups and myself in dealing with the tough issues and with the tradeoffs that had to be made to resolve some of the conflicts that arose through the land use planning process.

Mr. Laughren: I am willing to accept that, but the minister destroys all that when he sits on reports and will not release them.

Hon. Mr. Pope: What reports are you talking about? You got the Marek report. I know where you got it, so do not worry. I gave it to the member for Halton-Burlington yesterday. He has the Marek report.

Mr. Laughren: You have not tabled it.

Hon. Mr. Pope: I told you I have not yet addressed the recommendations of the Marek report. I am going to get into this in a few minutes, but there are some recommendations in the Marek report that are already stated government ministry policy. I am going to go through each and every one of the recommendations.

There are some other recommendations where Marek has legitimate disagreement over the way in which forestry practices are carried on. It is not all one-sided. There is grave disagreement as to how many—

Mr. Laughren: I was not referring to the Marek report, as a matter of fact, when I made that comment. You decided in the middle of a game to change the kind of numbers you would give us because it did not suit your purpose.

Hon. Mr. Pope: No. You are upset because the new system does not suit your purposes. We had a full debate on that last November and December. You said that because the area was not available for regeneration we had written it off forever. That is what you said and do not deny you said it.

The truth of the matter is that they were not being written off forever. Some of the areas could not be accessed, given existing road structures. We are addressing that through forest management agreements. We are putting more roads into the area to have the reforestation take

place. They are not being written off at all. We are getting access to the areas to do regeneration. If they are not being written off the way you tried to claim they are because they are not accessible, if we are building access roads into them, they are no longer not available for regeneration.

The other part of the area not available for regeneration had to do with the fact that there were some areas in which some of the stands had not been harvested, in which some of the species had not been harvested. That does not mean they are not available for regeneration. You knew that. Once they are harvested, they will be regenerated.

Mr. Laughren: When it comes to the red herrings, you are an expert.

Hon. Mr. Pope: No, you are the expert. You spent three months at it last fall.

Mr. Laughren: Do you know what the problem with the minister is? He does not suffer experts gladly.

Hon. Mr. Pope: You have said that before. I could analyse your personal psychological problems, too, but I do not intend to do that.

Mr. Laughren: I hope not.

Hon. Mr. Pope: I am just trying to answer your questions.

Mr. Chairman: Mr. Reed would like to ask a supplementary.

Mr. J. A. Reed: I have a supplementary on the Marek report and its availability. I appreciate the fact that the minister gave me a copy of the Marek report yesterday. My research department attempted to secure a copy of the Marek report and went through a process that was—

Hon. Mr. Pope: All you had to do was ask me. When you asked me on Monday night, I told you you could have it. You spent all Tuesday phoning around the province after I told you you could have it.

Mr. J. A. Reed: We went through a process of inconsistent answers. First it was available in the library, then it was classified as confidential, then it was not available any longer and so on. I would just suggest, with respect, that when these reports are available, we should know what the heck is going on and not have to phone five places and get five different answers.

Hon. Mr. Pope: All you had to do is ask me. What is wrong with you? He asked me to brief him on the Mining Act and we phoned him two days later.

Mr. J. A. Reed: In the future we will contact your office directly.

Mr. Chairman: We will get on with replies to Mr. Laughren's questions. You will have to forgive me for not being in attendance here Monday night; I do not recall all the questions. I will leave it up to your good judgement to reply to the exact questions.

Hon. Mr. Pope: The other thing I reiterated on Monday night, with respect to the Bird recommendations, was that we had been working on them. We had made some review of his recommendations. There are some things we could do that we are prepared to do in the next week or two. I hope before the estimates are over we will be able to make a response to the Bird recommendations. We are doing that by indicating how we are going to change the regulations. We are preparing the regulations. We are going to make available the recommendations of the Bird committee and then we are going to make available our reaction to them.

It is also clear, by the way, that on utilization, as is well known and has been stated in the Legislature, we are negotiating a credit system on increased crown dues with respect to utilization practices. I do not see anything wrong with the ministry negotiating utilization practices and how the credit system should work to make sure it works in the best way possible.

That does not mean that we are necessarily going to adopt the recommendations of the industry on utilization. I happen to have different points of view on chip utilization from others in the industry, but I think we have to discuss whether or not a credit system will work, and we want a credit system to work.

11:30 a.m.

There is nothing wrong with my having the Bird recommendations, working on improving the regulations and bringing into place a credit system that will accomplish some of the things the Bird committee recommended. The Bird recommendations will be available as soon as we have finished dealing with the amendments to the regulations.

I am entitled to ask people for their opinions and for reports and then to read and analyse them, to think them through and try to see what changes should be made in the ministry. I think I am entitled to do that as minister.

Mr. Laughren: You are also entitled to release the report.

Hon. Mr. Pope: You do not mind if I have a chance to analyse it and to see what policy changes should be made and then announce the

policy changes. I think that is what a minister is supposed to do.

Mr. Laughren: But you will not even release the report.

Hon. Mr. Pope: I will release the recommendations when I am ready to introduce the regulations that have been worked on by the ministry over a period of years.

Mr. Laughren: You keep playing games. Will you release the report?

Hon. Mr. Pope: I am going to release the recommendations.

Mr. Laughren: Yes, you will not release the report. And you wonder why you have what you call "a bum rap" about the mentality of the ministry. That is why. You deserve it.

Hon. Mr. Pope: Yes, okay.

Mr. Laughren: Be more open.

Mr. Stokes: Minister, when can I have a copy of the Bird report?

Hon. Mr. Pope: Mr. Stokes, as I said Monday night, when we have finished doing our work on the amendments to the regulations, when we have finished reviewing the Crown Timber Act with respect to wasteful practices, when we have finished trying to put in place a realistic and comprehensive credit system against crown revenues—which we are working on and which I have discussed in the Legislature in response to questions from the member for Rainy River (Mr. T. P. Reid)—then you can see the basis for the recommendations we have made.

Mr. Stokes: When?

Hon. Mr. Pope: I am hoping, as I indicated Monday night, that we will have the regulations available in the next week. We are working hard at it. I have been at meetings where we have reviewed the Bird recommendations and where we have suggested some changes in cutting practices.

We have had full-scale debate on whether or not, for instance, you should whole-tree harvest jackpine. There is a great disagreement among biologists and foresters as to whether you should leave the slash there for its biological and nutritional values or whether you should whole-tree harvest and leave the area barren of that kind of slash residue. There is a big debate about it.

There is also a debate about one of Mr. Marek's recommendations as to whether you should have greater density of seedling plantings and then go in and thin as opposed to greater spacing. That is a traditional argument that has been heard all through the United States—at

North Carolina State University, for example—for many years. There are different points of view available. We have to try to sort that all out internally and come to some decision on the way we are going to do it.

I am not a forester. I have to listen to the arguments on both sides of the issues. There are always at least two points of views on any issue—

Mr. Stokes: Is it that damning that we cannot look at it?

Hon. Mr. Pope: It is not that damning. I am trying to work on the recommendations and bring them into some form of regulation that is going to do the job.

Mr. Stokes: Why would you treat the Bird report any different from the Marek report?

Mr. Laughren: He did not intend you to read the Marek report either.

Mr. Stokes: Oh yes, he did.

Mr. Laughren: No, he did not.

Mr. Stokes: He did not?

Hon. Mr. Pope: When I asked Mr. Marek to do this work, I did not think it would ever see the light of day. I know you believe that.

Mr. Laughren: You did not think what?

Hon. Mr. Pope: That it would ever see the light of day. I know you believe that. I know you believe that with George Marek's point of view and his independent mind, which I have always respected; he has always voiced his opinions publicly for 20 years—

Mr. Stokes: Why did you think it would be any different this time?

Hon. Mr. Pope: I did not think it would any different. I knew the report would become public. I thought it was important for this ministry to give Mr. Marek an opportunity to make his observations and comments on forestry practices in the north-central region.

All of a sudden the whole feeling out there, generated by your leader in Thunder Bay, was that we were going to suppress the Marek report. You know that is nonsense. There is no way. We are looking at the Marek recommendations to see where the Marek recommendations should be addressed in the forest resources policy procedure directives. Should there be changes in the directives? What should the changes be?

But we have to have the chance to analyse the report and review it in the context of our directives and policy and procedures before it is made available to the public, so that we can at least tell people what we are going to do about it. I do not think there is anything unusual about a

cabinet minister receiving a report, keeping it, examining it and then making public his suggested changes in policy and procedures in the ministry. I do not think there is anything unusual about it.

Mr. Stokes: What you are saying is that if left to your own devices, you would have treated the Marek report in the same way as the Bird report.

Hon. Mr. Pope: Yes.

Mr. Stokes: But given the personalities of the two people in question, you felt that once he reached retirement age, he would go public with the report.

Hon. Mr. Pope: No, I do not think he has gone public with the report.

Mr. Stokes: No, he did not.

Hon. Mr. Pope: And I never said that.

Mr. Stokes: Why did you feel compelled to go public with the Marek report?

Hon. Mr. Pope: If I were trying to suppress Mr. Marek, I would not even have asked him to do the report. I would not even have asked him to do it if I had thought I was going to suppress his point of view.

I deliberately asked him to do a review with his personal observations and conclusions on forestry practices in the north-central region because I thought it was important that he report to me, on a comprehensive basis, what his feelings were and how he felt the situation could be improved. I asked for it. I was not suppressing him.

Mr. Stokes: There is a difference, though, between the Marek report and the Bird report.

Hon. Mr. Pope: But your leader in Thunder Bay said I was suppressing all of this. If I wanted to suppress it, I would not even have asked him to do it.

Mr. Laughren: You asked Bird to do it.

Mr. Stokes: What is so different about the Bird report?

Hon. Mr. Pope: There is nothing different. All I am saying is that because a report is not made public immediately upon my receiving it, that does not mean I have not asked people—including people who do not perhaps share conventional wisdom within the ministry—for their recommendations, observations and points of view.

It does not mean I do not take them seriously. I am looking at changing policy directives and guidelines.

That is not a bunker mentality. A bunker mentality would not even have asked Marek to do it. That would have been a bunker mentality.

Mr. Stokes: I am not accusing you. I am just saying that I fail to see why you are being inconsistent in the way you handle reports of this importance. It would help us to understand things if we knew what Mr. Bird was saying. I have a lot of respect for Mr. Bird. I think he is doing wonderful work up there as head of the Algonguin Forestry Authority. I think he is doing excellent work. I would like to know what he has to say.

Hon. Mr. Pope: You will. You will know his recommendations.

Mr. Stokes: No, I will never know what he said. I will get your reaction to his recommendations.

Hon. Mr. Pope: No. I told you I would table his recommendations.

Mr. Stokes: You are being inconsistent. I do not want to dump on you, but you are inconsistent in the way you handle reports that are very important.

I would love to see the report, not to be critical of you but to improve management and forest husbandry. I think that is a reasonable request by any member of this Legislature. We all have a collective responsibility for good resource management. I fail to see the difference between the two reports.

Hon. Mr. Pope: The Walmsley report was referred to by the member for Nickel Belt (Mr. Laughren), my critic. He wanted to know what had happened with respect to the recommendations.

Mr. Laughren: Right.

Hon. Mr. Pope: "Recommendation 1: It is recommended that the ministry reaffirm its intention to maintain a strong scientific capability." Recommendation 1 was approved and research included in the ministry's 1983-84 strategic plan.

"Recommendation 2: It is recommended that it be reaffirmed that in the Ministry of Natural Resources, research is a head office function." That was approved and implemented.

"Recommendation 3: It is recommended that geological, forestry, fish and wildlife research units be excluded from the second- and third-year phased reduction of head office staff." That was not approved.

"Recommendation 4: It is recommended that the present system of research stations in the field be maintained and, where possible, strengthened." That was approved and implemented. Field stations were maintained, and as you are aware

new field development units have been established.

"Recommendation 5: It is recommended that, with respect to field stations: (a) budget allocation, program approval, provision of complement and staffing, selection of scientific equipment and technical direction be the responsibility of the research unit; (b) that salaries and TCSSE budgets for the field units be administered by the region using regional guidelines agreed to by each research unit and region or district facility and staff." That was approved and implemented.

11:40 a.m.

"Recommendation 6: It is recommended that the forest research group immediately: (a) provide resources so that the publication of work done in the Sault laboratory starts in 1980 and is completed within three years; (b) publish a summary of the objectives, concepts involved and general progress of programs in the Sault laboratory by October 1979 for internal distribution only. A verbal presentation should be made to the northern and southern Ontario committees, and to the policy and priorities committee of the ministry." Recommendation 6 was approved and implemented after a delay.

"Recommendation 7: It is recommended that audits of regions should pay special attention to mechanisms that exist in the region to assist field scientific professional staff in maintaining their technical competence." Recommendation 7 was approved. Implementation has been slow, to use my term.

"Recommendation 8: It is recommended that the ministry libraries assess what services they can offer to field, scientific and professional staff and then publicize these widely in the ministry." That has been approved and implemented.

"Recommendation 9: It is recommended that research units with research scientists in field stations pay particular attention to methods to maintain the scientific competence of the staff." Recommendation 9 was approved, but again implementation has been slow.

"Recommendation 10: It is recommended that research units plan for a certain proportion of their workload to be devoted to field needs." Recommendation 10 has been approved, and there has been a noticeable improvement in that aspect.

"Recommendation 11: It is recommended that research units be encouraged to undertake projects on behalf of field staff provided: (a) the work proposal is approved by the regional director; (b) the work fits logically into the research unit's existing objectives; (c) research

or any salaried staff can administer the projects; (d) the research unit has technical authority over the project; and (e) funding is provided by the field condition." Recommendation 11 was approved and implemented in part. "In part" means it depends on the work of the research unit.

"Recommendation 12: It is recommended that if a research unit cannot accommodate a request for work from the field, the director must give detailed reasons, offer to subcontract the work if the proposal is scientifically sound, and advise where the work could best be done." Recommendation 12 was approved. It is questionable if implemented; field does fund and contract out very little research.

"Recommendation 13: It is recommended that if research units solicit ideas for work from regions, the request be couched in such terms that the region identifies the problem it wants solved and leaves the research unit to propose a method of solution." That was approved, although implementation has been varied throughout the province and across programs.

"Recommendation 14: It is recommended that research units should provide fully documented reasons for rejection of research proposals put forward by field staff." That has been approved, and I believe it is no longer an issue between the research staff and the ministry.

"Recommendation 15: It is recommended that each research unit review the general philosophy governing the direction of its work with senior regional staff and publish an agreed set of philosophies and concepts that will govern the direction of research work for a given period of five years. This work should be completed for each research unit by April 1980." That was approved but not implemented as per the recommendation. Along with recommendation 16, however, a better understanding of what research is about exists in the field.

"Recommendation 16: It is recommended that the technical committees act as the vehicle within each group for determining the philosophies and concepts that will govern the direction of research work. The committee will also review research progress against general objectives annually." Recommendation 16 has been approved and implemented in a variety of ways.

"Recommendation 17: It is recommended that each research unit should devise a plan for communications with the field staff. These plans should be approved for implementation by 1981-82. As part of the plan, all publication distribution lists should be reviewed to ensure that publications are reaching the appropriate

field staff." That was approved, and the annual reports are now public. Plans are discussed with the field on a regular basis.

"Recommendation 18: It is recommended that each research unit be subject to a technical audit by a group selected from amongst its peers in the scientific world. Forestry research should be audited during 1979-80, followed by the Ontario geological survey, the Ontario Centre for Remote Sensing, and wildlife and fisheries, in that order. Following the first audit, the frequency of audit should be determined by the policy and priorities committee." Recommendation 18 was approved and implemented for geology and wildlife to date and will be implemented for other groups.

"Recommendation 19: It is recommended that in order to release heads of research units for more important duties, the head of each research unit should be provided with one administrative assistant to handle day-to-day administrative matters." Recommendation 19 was approved and implemented for geology, where the greatest need existed.

"Recommendation 20: It is recommended that, following approval of research philosophies and concepts, each research unit should submit a three-year plan for capital equipment, which after approval can be consolidated and be incorporated in successive work plans." Recommendation 20 was formally approved but never implemented because of the problems of a three-year capital plan.

"Recommendation 21: It is recommended that the heads of research units meet on a regular basis, say quarterly, and as a start should discuss the application of the computer to their needs and try to determine if a common approach to the subject is possible." Recommendation 21 was approved and implemented. There are now quarterly meetings of research heads.

"Recommendation 22: It is recommended that heads of research units ensure that research scientists are aware of and comply with the ministry administrative procedures." It was approved, and we think the situation has improved.

"Recommendation 23: It is recommended that the executive co-ordinators meet with the director, personnel branch, to seek ways of giving more experience to research staff. A job report on these discussions should be available by April 1980 for consideration by the deputy minister." Recommendation 23 was approved but not implemented.

"Recommendation 24: It is recommended that research units pay special attention to the manner in which their results are communicated to their client groups, especially those within the ministry. Consideration should be given to translating technical papers into semitechnical reports for distribution to field staff. Distribution lists should be examined to ensure that all appropriate groups and individuals are included." That recommendation was approved and implemented.

"Recommendation 25: It is recommended that each executive co-ordinator prepare a list of individuals whom, together with the head of the unit, the minister, deputy minister and assistant deputy ministers could approach directly for advice on a scientific matter." That was approved but not implemented by the executive co-ordinators, but we do have lists of scientists whom we approach directly for advice on scientific matters. That has been put in place in the last couple of years.

"Recommendation 26: It is recommended that the ministry set up a special study by outside consultants to determine the state of forestry research and fish and wildlife research in the province as a whole." We decided not to pursue that recommendation because of other studies being conducted.

Mr. Laughren: You did a good job of ragging the puck. Now tell me, what is—

Hon. Mr. Pope: I am sorry. What do you mean, "ragging the puck"? You asked me whether or not, for each and every one of the recommendations—

Mr. Laughren: No, no. I was specific—that is all right; I am not going to quarrel with you on it. I was specific about certain recommendations that I wanted answers for. I have the answers, plus more. What I really want to get at is what is happening at the Maple research unit.

Hon. Mr. Pope: There has been no change.

Mr. Laughren: No change? What are your plans for that?

Hon. Mr. Pope: We have not finalized any plans.

Mr. Laughren: I see. Do you think the people at Maple have more security in tenure than they had a year ago?

Hon. Mr. Pope: Some people may have personal points of view or personal feelings about the matter. I presume that each and every individual up there has different opinions on whether his future is certain or uncertain and whether things are going to be better or not. All I

can reiterate is what I said to the member for Lake Nipigon (Mr. Stokes) last December.

Mr. Laughren: Right. Do you still intend to carry through with the statement made by your former deputy about farming out, as it were, some of the research to the private sector and the universities?

Hon. Mr. Pope: That has been going on for some time. I could read it out, although I will not.

Mr. Laughren: Thank you.

Hon. Mr. Pope: I could read out all the research projects for 1983-84, and all the work that is going on in the universities.

Mr. Laughren: We are talking about direction of research in the ministry. That is what we are talking about. You know what I mean.

Hon. Mr. Pope: Work has been farmed out to the universities over a period of time. It will continue, and it will be accelerated.

As I said last December to the member for Lake Nipigon, there is no reduction in research budgets. We are building upon what we have. We are involving the private sector, the university community and the federal government in augmenting our research program. I said that last December.

Mr. Stokes: I just want some assurance again, if I may, Mr. Chairman. We were out at Maple; we saw what was going on. We were very impressed with some of the work they are doing now. They may just be making some breakthroughs. They have already had considerable success in association with the research group at the University of Toronto.

I would like to be assured by the minister that nothing will happen to discourage the excellent work of people like Dr. Zsuffa, who is world-class and has been nominated for special recognition on a worldwide basis for the contribution he has made to research in the forestry field, and that that work will continue.

11:50 a.m.

Hon. Mr. Pope: I cannot answer whether he is discouraged by reason of Mr. Foster's memo. I have not talked to him about his reaction to the memo or about whether he is discouraged or encouraged. We have tried to encourage him and promote his work. We have made him, quite frankly, the star attraction in the world scientific review of the hybrid poplar program.

We know he is working in concert with the University of Toronto. That is a strong relationship, but whether that relationship develops or not, I cannot say. I do not know if there will be personnel changes there. We have not put out a

directive saying anyone is terminated. I reiterate what I said to you.

Mr. Stokes: I am asking you personally to encourage that. I do not think we can allow that to die.

Hon. Mr. Pope: I want to encourage better field development units all over the province. We put a field development unit into the west of Timmins and we are putting seed orchards in place across the province. These are all new programs we have announced in the last year to augment—not detract from but augment—the field research work we think is so essential.

A field development unit has recently been announced in, I think, the Thunder Bay region also. Somewhere in northwestern Ontario, there is also a new field development unit looking at some of the local specific problems on a species basis in northwestern or northcentral region. I can get the location for you.

What we have been trying to do, as well, is expand the seed orchard program, looking at various specified sites in different parts of northern Ontario, specifically with respect to spruce and jackpine, to see if we can develop more localized research and development programs and seed collection facilities. We think that will be an improvement.

As I said last December, I see us building on what we have. But the reality is that we have had lots of debates and discussions internally within the ministry at a management level about where to head, what mechanisms or what facilities to use, whether it be University of Toronto, Guelph, Maple, the field development units, Lakehead or Laurentian. All of the options are being looked at in terms of supplementing our research efforts, using all of the available research mechanisms and facilities available to us.

We started in forestry with a research co-ordinating committee that met with the private sector and told them we felt the private sector had to spend more money on research than they were. The federal government sent the Deputy Minister of Environment Canada, Mr. Gérin. Two or three universities were represented. Through an oversight we did not attend, Waterloo was not invited, but has subsequently been contacted and that oversight has been remedied.

We are moving into the same thing in fish and wildlife. We are pulling together a group, including the Ontario Federation of Anglers and Hunters and other interest groups, to try to get a more co-ordinated research effort, with priorities not being set just by the Ministry of Natural

Resources. We want a broader consensus of what our priorities, both in pure research and in field development, should be.

Mr. Laughren: But we are looking for a commitment from you to the Maple institute.

Hon. Mr. Pope: I am just telling you, we have not made any final decisions on our research program.

Mr. Stokes: Have you met personally with Dr. Zsuffa?

Hon. Mr. Pope: Many, many times. In fact, we had him up to the office and gave him an award for his work. I was with him at the hybrid poplar world scientific review and spoke at the opening of that review. I have been with Dr. Zsuffa up to just south of Orillia on two occasions on woodlot programs where he has had some input. I have been to visit a couple of seed orchards with him.

I have spent some time with him, but I cannot guarantee he might not want to move to a university setting or somewhere else. I cannot guarantee that for any ministry employee. We think we have a great research and development program and we want to build upon it. As I said last December, we are putting more money into research and trying to get research money from more sources, not fewer.

Mr. G. I. Miller: When you are expanding the facilities, is it the tree planting and the nursery aspect you are zeroing in on? I know you are putting a lot of emphasis on northern Ontario and the need there. I was down in St. Williams in southern Ontario. From discussions I had, I understand they were cutting back production this past year. They have an excellent facility. Why would you be cutting back when there is a need to expand?

Hon. Mr. Pope: Production?

Mr. G. I. Miller: Yes. Those were the figures that I think they indicated to me.

Hon. Mr. Pope: If they are cutting back production, I would like to know the reason for it, because the budget has been increased. We are producing stock this year at a level of 150 million.

Mr. G. I. Miller: I know your figures indicate that, and that is what surprised me. I went down to pick up a white pine, that you so deftly designated as the official tree, and we have had the opportunity of planting them around the area. I think Norfolk county is one of those pioneers in the reforestation field and it just concerned me a little that there seemed to be some cutback there.

While we have excellent facilities and room to expand, is that a wise decision and is that really taking place?

Hon. Mr. Pope: I will have to get the production figures for that nursery, and I will by the next day. I can tell you our province-wide needs are increasing. We want to go to 200 million, which comes close to matching even Mr. Marek's expectations—a bit more I think, quite frankly. That argument has been going on. On a region-by-region basis, the need for trees may fluctuate. I do not know if that is reflected in the St. Williams nursery or not.

All I can tell you is that province-wide there has been a massive increase from 80 million in 1981 to 150 million this year, and there is no doubt that I pushed it. We were going to be at 135 million to 140 million, but I asked for 150 million. In the same way, I have asked for 200 million in 1986-1987. We are now entering into the contractual arrangements to have that in place.

Part of the problem in individual nurseries is with respect to the planting season, the date at which the frost leaves the ground and how that relates to climate.

One of the problems we had, if I can be more specific, at the Swastika nursery, the government-operated nursery, was that the trees were ready for planting before the frost had left the ground in Hearst. If we did not plant the trees within that time frame, we were going to lose the trees, so we were planting them all around Kirkland. If we had delayed the growing season for the stock, it would have delayed our planting efforts during the months in which the planting should take place, according to the biologists.

That is why we decentralized the system and put individual nurseries in different parts of the province. We strung them out and got the contracts in place almost on a regional basis. For instance, in northern and northeastern region this year I think we are at 50 million trees being planted. In Kenora district and Rainy River district, we tripled it over the last two years. The bare root and containerized stock went from a total of about four million to about 12 million this year.

We have been increasing, but there is no doubt that, at the same time, the bare root stock has virtually stayed the same. With the development of the Kapuskasing facility and the facility in the northwest, that is going to improve.

Right now we have been concentrating on the containerized stock for some good and valid forestry reasons, I am told. I am no expert on

that. I will review the St. Williams one, but there may be some regional disparities.

Mr. G. I. Miller: There is a lot more pressure being applied to the woodlots there. They are moving wood out by truckloads, which has never happened in the last few years.

I think the emphasis has to be on reforestation, and that station services a wide area in southern Ontario. It was a concern to me to hear that production seemed to be cut back. Maybe demand is back, but there has to be something wrong when this is taking place.

12 noon

Hon. Mr. Pope: I will find out. I know we are tight on the time frame and we are tight for demand. We have been trying to push the forest products companies and forest management agreement holders even further than is required under the FMAs. Some of them have responded positively. In forest management agreements, to get back to Mr. Laughren's comments, which is where you are heading—

Mr. Chairman: I was going to ask you what that had to do with your response.

Hon. Mr. Pope: I heard you. Mr. Laughren was raising some questions about money and cabinet support for funding of FMAs. I think his concern can be broken down into two distinct aspects: funding for entering into FMA arrangements—in other words, the decision to sign an FMA with all the financial implications—and ongoing funding of FMAs.

The area in which the hardest decisions have to be made and the priorities set is at the front end, to decide whether to go into the FMA or not because of its financial implications. Once the FMA is signed, we are obliged to provide the financial support, although it is true that we have been negotiating from time to time to get the private sector to carry more of the cost. I think in 1982 we had a discussion about the percentage of costs borne by the industry versus the government and I talked about the inflation rider in the clause.

The second aspect is, the net effect has been that the government proportion of costs under FMAs is now at about 60 per cent. It has declined and the private sector has been picking up more of the costs.

Mr. Laughren: What are their costs? What makes their costs 40 per cent?

Hon. Mr. Pope: There is an agreed rate there. As their costs of equipment and labour rise, that is not offset by any adjustment in the prices set out in the agreement. They end up covering more

and more. As inflation comes in, they get less and less benefit from it.

We are talking about some agreements that were signed in 1980 and 1981 where some of these costs are starting to come to the fore.

Mr. Laughren: I do not pretend to be an expert on the FMAs.

Hon. Mr. Pope: I am not.

Mr. Laughren: Frankly, where I am confused is that I see the FMAs as an agreement between the government and the industry for silvicultural purposes and better forest management—harvesting and silvicultural purposes. If there were no FMAs, would the companies not have most of those expenses anyway?

Hon. Mr. Pope: No.

Mr. Laughren: We are talking about the costs strictly because they signed an FMA. That is where I have trouble figuring out how it is so much.

Hon. Mr. Pope: I will give you a hypothetical case. It is not an actual case. A company might not build an all-weather access road. It might just have winter access roads, go in and harvest, and then if the area is inaccessible, so be it.

Mr. Laughren: Not satisfactorily regenerated, so to speak.

Hon. Mr. Pope: Right, but that is a thing of the past.

Mr. Laughren: Right.

Hon. Mr. Pope: With the all-weather access road system, you have access to plant containerized seedlings, which we want to encourage, during the time of year when access would be most difficult, although theoretically it is true you could helicopter them in.

Second, you have access on an ongoing basis for thinning or any other control of competing vegetation by devices you might want to use. For instance, you expressed the concern that there should be more manual thinning and clearing as opposed to application of herbicides. That would be one of the benefits of the all-weather access road system which, by the way, obviously has not been shown yet by the numbers, as you indicated.

The other thing is that in the past, many companies did not involve themselves in selecting the best sites and getting into thinning activities. That is what we are trying to get them to do. Also, we did not feel comfortable with the site preparation work that was being done on a case-by-case basis. I know you could have read

lots of examples into the record. We want to improve that.

Some of these costs would not normally have been borne by the private sector, and some of the costs would not have been borne by the government either. It just would not have been done. Although there is no doubt there is some transference of costs from forest management activities on crown management units to the FMA process—there is some actual transfer of effort—we have not transferred the costs because we want to build up the forest management budget. We have therefore dovetailed with or added on to the FMA instead of supplanting it.

Mr. Laughren: A massive public subsidy is going into our forests now. I am sure the minister would agree.

Hon. Mr. Pope: We are spending—

Mr. Stokes: Sixty per cent of close to \$200 million.

Hon. Mr. Pope: Yes. It was \$99 million when I first became minister. The industry counters—the member has heard all the arguments about the income tax and corporate tax and—

Mr. Stokes: Stumpage.

Hon. Mr. Pope: —stumpage. There is no doubt we would like to supplement public expenditure with some federal government public expenditure, but that is not forthcoming.

Yes, a lot of money is being spent on forests, and that is part of the reason, as you are aware.

On the references to mining and some of the problems of Sudbury and mining municipalities in Ontario, we have been trying, since 1981, to stimulate mineral development and exploration programs. At one point, we thought we had a federal-provincial agreement. That did not happen.

Mr. Laughren: Why?

Hon. Mr. Pope: The federal government was more interested in going it alone.

Mr. Laughren: Is the minister talking about exploration?

Hon. Mr. Pope: Yes. We proceeded alone as well. On the outer core—if I may call it that—of the Sudbury geological formation, we see some potential for precious metal development, specifically to the north. We have been trying to encourage that by putting field staff in place and having additional geological activity in the area. We are seeing some hopeful signs from different companies who have an interest in the area.

My goal as Minister of Natural Resources, as opposed to a government-wide response, is to try

to provide more information on the mineral potential of the area to encourage a wider variety of additional companies to locate in and invest in Sudbury.

As the member for Sudbury East (Mr. Martel) mentioned about a year ago, we have looked at industrial minerals and some potential sites in Sudbury.

Mr. Stokes: Phosphates.

Hon. Mr. Pope: Yes, and also some other minerals. We are trying to encourage private sector investment in some silica deposits in the Sudbury area. We have tried to expand the government geological exploration program into the area between Sudbury and Cobalt. We have put some money into that program, although there are some legal difficulties we have to be sensitive to.

We think that area has some high potential and that both Sudbury and North Bay would benefit from its development. In the near future, we anticipate that development will proceed with exploration teams going into the area.

We are going to build a drill core library which we think in the long term—

Interjection.

Hon. Mr. Pope: I do not know if I heard that.

Mr. Laughren: I think I heard it. I do not think Hansard picked it up though.

Interjections.

Hon. Mr. Pope: We are trying to put some—

Mr. Laughren: I notice you are wearing glasses.

Hon. Mr. Pope: We are building a drill core library in Sudbury. I do not think we should underestimate the impact of that with respect to speeding up decisions to get into more capital-intensive development work. It is a high priority. It will be done next year.

12:10 p.m.

Mr. Laughren: Excuse me. I do not think it is your ministry, but does the minister know anything about the rope-testing facility that might or might not be part of something like that? I think that is Labour, but I am not sure.

Hon. Mr. Pope: I have heard some discussion about it, and—

Mr. Laughren: It used to be down in the basement in the Whitney Block.

Hon. Mr. Pope: Yes, I think it still is. A couple of staff members—one of whom is from Timmins—were coming in from the field on a six-month basis to do the work in the last year and it is still going on there. There has been some

discussion with the Ministry of Labour and a number of options considered—none of which include Timmins, by the way—for the moving of the rope-testing facility. Sudbury is one of those options being looked at.

Mr. Laughren: I know Laurentian made a very strong pitch for it.

Hon. Mr. Pope: Yes, Laurentian, and Haileybury School of Mines made a pitch for it as well. Those are the two I am aware of; I am not aware of any others. I guess the decision by the Ministry of Labour is pending on that issue.

Mr. Laughren: It has been a long time.

Hon. Mr. Pope: We have been trying to look for other resource potentials in the Sudbury basin, not to minimize the current problems with the unemployed. We had put out to tender a plan of hardwood surplus for the construction of a wafer board plant and received a proposal for its construction. There definitely was some job creation involved in that.

Mr. Laughren: Quite a bit.

Hon. Mr. Pope: I understand the discussion with respect to financing of that resides on the federal level now.

That man who just looked in is Charlie Thompson, by the way.

Mr. Laughren: Who is Charlie Thompson?

Hon. Mr. Pope: The driver.

Interjection: He just came in and then went out.

Mr. Laughren: There was an occasion here when Stephen Lewis was the leader and he was asking a senior government official—that was when senior government officials were invited to the estimates debates—if he had a chauffeur. The official replied, “Yes, why do you want to know?” Mr. Lewis said, “Because I have always lusted for a chauffeur.” The senior official said, “Anyone in particular, Mr. Lewis?”

Hon. Mr. Pope: We have been looking at a number of options, and as you are probably aware, we have also put out some contracts for greenhouse production in the area. We are looking at greenhouses as part of the Highway 17 development in the Sudbury region that I referred to earlier. We are also looking at the Wanapitei park proposal and a number of other developments along the French River.

We are trying, within the context of the Natural Resources ministry, to bring as much attention to bear on this as possible. We also moved a regional director into Sudbury who, I think, has the most flexibility and ingenuity with

respect to development—Mike Klugman. He has been working with the region for some time under employment programs. Now he is there as the regional director in charge of that entire region of Ministry of Natural Resources activities.

He is the one who was involved in the underground development. That was his idea, based on one of the cities in the United States that has used it. With his initiatives we are going to try and do what we can, using the Natural Resources ministry to provide more development options or opportunities in the area. That does not answer your question with respect to the 7,700—I think your number was—the people you had some concern about.

Mr. Laughren: Oh, the 8,800 going off unemployment insurance benefits.

Hon. Mr. Pope: I guess the only answer I, as Minister of Natural Resources, have for you is that we have to try to find other resource development opportunities there with high employment potential. That is what we are trying to do.

It is easy for me to say, because there are people going off unemployment insurance benefits who have personal problems that have to be addressed. All I can say as Minister of Natural Resources is that I am trying to speed up the process of resource development in the area.

Mr. Laughren: I wonder if this is an appropriate time to ask you to be more specific. You may recall that I referred to the Ontario Mineral Score document and the amount of refining that is done outside the country. That would apply not just to Falconbridge but to Inco as well on nickel, and also to the whole question of 100 per cent of the platinum group metals being refined elsewhere.

Hon. Mr. Pope: Some applications have been made for export permits, which have been denied. There has been some negotiation of traditional exemption levels downward on a case-by-case, company-by-company basis. Some conditions have been put on exemptions for the first time to try to encourage more exploration of refining options or alternatives in Ontario, and in Canada if not in Ontario.

Mr. Stokes: Why is there no lead refining in Canada?

Hon. Mr. Pope: I think there is a refinery in British Columbia, is there not?

Mr. Stokes: Is there? It is my understanding that most of it goes to Missouri, and I could never figure out why.

Hon. Mr. Pope: I think we now refine lead at Kidd Creek, although I may be wrong; it may just be concentrate. I will check on that.

Mr. Laughren: The amount of lead that is produced in Ontario but refined outside Canada has gone up rather dramatically to 92 per cent from 64 per cent.

Hon. Mr. Pope: Has the volume stayed the same? I do not have the score book in front of me.

Mr. Stokes: It is a question I have always wanted to ask somebody.

Hon. Mr. Pope: I think that may reflect the closure of a couple of lead mining operations, I think in the Timiskaming area, one of the byproducts in the silver operations.

Mr. Havrot: Very minimal.

Hon. Mr. Pope: I cannot tell you we have received a commitment for a platinum refinery in Ontario, because we have not, and I understand the case you are making for one.

As a minister I have tried as a general policy to put more pressure and more conditions on export permits, which will have the effect of encouraging more of the refining work to be done in Ontario and, if not in Ontario, in Canada; in some cases it has worked and in some cases it has not.

Mr. Laughren: But in a case like the platinum group metals, or with regard to Inco buying a new smelter and so forth, I believe Inco has lost money for 11 straight quarters, so there is no way Inco is going to do something like this; it is not going to build a new smelter, it is not going to build a platinum group metals refinery, unless the two senior levels of government get together and work out some kind of arrangement.

I know what I would like to see. I would like to see upfront loans, not grants, which would be paid back over a period of years either in the form of equity or in actual payments. But it is not going to happen without help from the two senior levels because of the economic problems of Inco; it just will not.

So I really am interested in knowing to what extent the ministry is serious about this. This is not something new; it is not something that is just happening. Good heavens, this problem has been there for 100 years. At any given time there is a reason for not doing it; that is why it is not there now.

12:20 p.m.

I think the minister must in his heart of hearts find it offensive that all those ores—I mean all—are being shipped out for refining purposes. Is anything being done that could give us cause to

take heart with respect to either a new refinery or a new smelter?

Hon. Mr. Pope: General discussions have been held with Inco, some of which I have not been involved in. I do not think there have been any results as to commitment by the government to participate in or lend funds for the construction of a new refinery or smelter for the platinum group of metals or for the Inco operation.

Mr. Laughren: Why do you not turn Dr. Mohide loose on a one-man crusade to accomplish some of those things? In my view, he is one of your most talented civil servants. He knows as much about metals as anyone I have ever known or heard of.

Hon. Mr. Pope: He is an excellent fellow.

Mr. Laughren: I see you assigning someone like Mr. Marek to do a report on forestry or Mr. Bird or others we have talked about. Perhaps there is not enough public pressure on the mining end of it to have reports done that will address the problems in mining. Perhaps it is not as evident, but because it is nonrenewable it is probably even more serious. It is at least as serious, but I do not see that happening.

There are all sorts of areas. There is the area my colleague the member for Lake Nipigon talks about, funding resource-based communities such as the Hemlo area.

If you talk to the mining industry, it feels it is the poor cousin in the resource field, that forestry gets all the attention, some which I am sure it would rather not have. They get all the attention and the mining industry is seen as the poor cousin in the Ministry of Natural Resources.

That is the perception in the industry. I personally do not support a separate ministry for mining. I think it should be done in the one ministry, but I do not see the same concern in the ministry for mining that I see for forestry.

Hon. Mr. Pope: All I can give you is my feeling. There are some people in the industry and in mining communities who feel that mining is not given the priority it deserves. All I can tell you is that, as a minister from a mining community, the two regional directors I have appointed for the northern region and northeastern region are both geologists, for the first time ever. Therefore, mining people are in control of the entire range of ministry services in northeastern Ontario—forestry, mining, and parks, the whole works.

We have tried, and we are still working, to put mining people in place at the district manager level and to integrate the personnel through the

system. I think that is the first step we have to make to both an integrated approach and getting mining to have priority. Our district manager in Tweed, Mr. Sloan says, is a mining geologist. He was appointed about a year ago. He is a geologist.

The ministry's program development in the last three years has been a more rapid implementation of some of the Board of Industrial Leadership and Development initiatives, some of which have met with success, some of which have not.

For instance, the custom gold milling services are very difficult to operate. It is very difficult for an individual operator, as Goldlund or Pancontinental can tell you. It is tough to get the customers secured. It is tough to settle the arguments with them over grade and recovery percentages. There are always debates.

We have three of them in place now. We want to have another seven in place to try to stimulate moderate-sized deposits and small deposits into production to generate capital. We have tried to do the same thing with respect to core libraries to stimulate exploration and development.

We have tried to put more money into the Ontario mineral exploration program, and the truth of the matter is OMEP had to be revised to make it apply more appropriately in the field, to encourage more of the smaller individuals to take advantage of it than were before.

A lot of the priorities arising out of BILD were directed at mining. We have been trying to implement them as fast as possible to prove that it does have high priority. We have tried to improve the quality of services in the field.

When the Hemlo development was starting, there were some complaints that you could not get copies of maps. We did not have the proper reproduction facilities. We were running out of tags. People were not available to work.

Mr. Stokes: McKinnon and Larche found it by going back to old maps.

Hon. Mr. Pope: That is right. There were some complaints about staff not being available at the right times for the prospectors coming in out of the field. We made a conscious decision to get better equipment up there that could handle the size of documents required, put staff on extra hours, put more money into the operating budgets of the mining recorders' offices and get more support staff in there during that rush.

We also made a decision to expand and enlarge upon the geological research component. That is why over the last year and a half we have been doing some of the extra geomagnetic surveying

with more sensitive equipment that will pierce the overburden. We have been trying to perfect that technology and trying to get a new system of maps in place that the exploration companies can use.

Mr. Stokes: Mr. Chairman, I want to ask a supplementary. Several years ago we had a talk with Dr. Mohide and other very knowledgeable people in your ministry before you or your deputy were around. It was during the time that the Law of the Sea Conference was having a high profile.

At that time the Sudbury basin was vibrant, alive and well and everything else, but there was always this gnawing feeling in the back of people's minds, particularly in the mining fraternity, that if they ever developed the techniques for harvesting nodules in the sea, places like Sudbury might go the way of the dodo bird.

I asked at that time whether they were concerned and whether or not they were making some kind of an adjustment and whether or not our representatives at the Law of the Sea Conference were taking those things into account. We have not had that debate here for several years.

Sudbury is in bad shape now. If underground mining becomes obsolete because of this cheaper method of harvesting minerals, is anybody in your ministry, particularly in the mining branch, addressing that problem?

Hon. Mr. Pope: In the last two years Dr. Mohide has been part of the Canadian negotiating team.

Mr. Stokes: It would be nice to have him here, would it not?

Mr. Laughren: It sure would.

Mr. J. A. Reed: It would.

Hon. Mr. Pope: Dr. Mohide's position has been adopted as the Canadian position. Dr. Mohide's analysis at this time is that the cost of production of these undersea nodules has dramatically escalated and he does not think that there is a realistic, competitive opportunity for the private sector to invest in the mining of undersea nodules.

He also thinks there is no way there will ever be an international agreement on the mining of

these nodules. There is so complete a split between the existing producing nations and the nonproducing nations, particularly Japan on one side, that there would never be an international understanding or agreement on it.

Mr. Stokes: There does not have to be. They can just go ahead.

Hon. Mr. Pope: That is right. The failure of an international agreement has some consequences in terms of other countries then taking the initiative to develop it.

I did have a discussion with Dr. Mohide last year on this point. His feeling is that it is not a realistic cost option. It is not a realistic option and it is becoming less so, particularly in the light of the 1.6-billion-pound capacity in the world. With 800 million pounds of world demand, there is not a realistic opportunity for that kind of capital cost to be put into a project when you already have overproduction.

Mr. Chairman: Thank you, minister. We have approximately eight and a half hours, or a little bit less than that, left. Are there still some responses to Mr. Laughren's questions?

Mr. G. I. Miller: Give him the short form.

Mr. Chairman: I am just suggesting we have the responses now. If there are still some questions, we should try to organize the balance of the eight and half hours.

Mr. Stokes: Bring them up in the votes.

Mr. Chairman: Are you prepared to accept the answers in the appropriate votes?

Mr. J. A. Reed: Yes.

Mr. Stokes: Let us start on the first vote next time.

Mr. Chairman: Shall we schedule the first vote for tomorrow evening and try to finish it then, and work the time out from there? Is that appropriate?

Mr. Stokes: A lot of things come up on the first vote.

Mr. Chairman: Yes, there is always a lot of leeway on that one.

Does that seem agreeable? Okay.

The committee adjourned at 12:31 p.m.

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Wednesday, May 30, 1984

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Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources

Fourth Session, 32nd Parliament
Thursday, May 31, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, May 31, 1984

The committee met at 8:04 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

On vote 2601, ministry administration program; item 1, main office:

Mr. Chairman: As members know, there is normally a little bit of latitude allowed on the first vote, just as there was on the statements of the minister and the critics. Do we have any questions on vote 2601?

Mr. Stokes: I have two or three questions, until we get more people here who might want to get off on another tangent.

I want to deal primarily with a matter of policy. If you look at the schematic drawing in the estimates book provided by the ministry, you will see the statutes administered by this ministry. Two which pop out at me are the Gas and Oil Leases Act and the Steep Rock Iron Ore Development Act.

In relation to the first one, I would like the minister to give us an update on those leases. I am not sure whether or not this ministry has any responsibility or authority for the offshore leases. I do not want to get into a long constitutional harangue.

Hon. Mr. Pope: It is on page 3.

Mr. Stokes: Brian Peckford is having his own problems with the feds, and they are having problems with him. For any of the committee members who are interested, a former minister of mines said 17 or 18 years ago he was prepared to stack his life on the possibility of there being substantial oil and gas reserves in the Hudson Bay and James Bay lowlands and offshore.

The minister and members of the committee will know the Ontario Energy Corp. has entered into a consortium with a number of companies. They are spending a lot of money on seismic work and are hoping to get into some drilling somewhere around 1985 or 1986. I know some people who are interested in what the potential of that might be and what kinds of battles we might get into with our first citizens, should we ever begin to build any corridors. There are a lot of ramifications to it.

The last time I raised it with the people in the Ministry of Energy, they were pretty optimistic about the possibilities of finding something there, based on very preliminary investigations. I would like the minister to give us an update on what he knows of the gas and oil leases, to whom they are awarded, under what conditions they have been awarded, and what he knows about it and its possible potential.

Hon. Mr. Pope: The oil and gas leases are issued by the mineral resources branch of the ministry. We do have a separate branch, a regional office in London, which generally has responsibility for specific oil and gas leasing arrangements. We have authority to give oil and gas leases in the Great Lakes. That has not been exercised in Lake Huron, but it has been in Lake Erie. I am not aware of any specific drillings done in Lake Ontario.

As some of the members here know, Lake Erie has had significant drilling activity over the past few years, including some done by companies from Alberta. They have located in Ontario in the last two years, have assumed lease obligations with the ministry and in their particular operations have been employing about 30 to 40 people at the most on a full-time basis, but upwards of another 150 to 160 on a part-time or seasonal basis. That is just one company I am aware of.

Spread throughout Lake Erie are oil and gas leases and drilling operations, which have been going on for some time. We think there is a potential. There has been recent concern about access to the lines, to the supply system. There have been negotiations with Consumers' Gas and Union Gas to get access to that supply system. I think we have been successful to some degree. The smaller companies involved in the Lake Erie area are certainly continuing their explorations.

Mr. Stokes: I would like you to limit your comments, if you will. I have heard a lot of that through the Ministry of Energy. I want to know the status of those oil and gas leases in the Hudson and James Bay lowlands. Do you have any information on those?

8:10 p.m.

Hon. Mr. Pope: Yes. We also clearly have jurisdiction with respect to oil and gas leases onshore. For instance, in the Petrolia area and Oil

Springs, we do issue the leases to the companies and make arrangements with respect to any geological or geophysical work.

In the James Bay lowlands, onshore we clearly have jurisdiction. The history of oil and gas exploration and development goes back to 1929 when the first geological exploration for formations consistent with occurrences of oil and gas were done by geologists in the James Bay lowlands.

Thereafter, on a rather rare occasion, oil and gas exploration has taken place. Generally, the depth of drilling was between 400 and 900 feet, with one or two holes in the neighbourhood of 1,600 to 2,000. There was not much continuous effort with substantial capital investment.

Offshore, there have been ongoing discussions or differing points of view with respect to jurisdiction over James Bay and Hudson Bay. At one point in the mid-1970s, there were discussions among the Manitoba government, the Ontario government and the Quebec government with respect to offshore jurisdiction on all resources in James Bay and Hudson Bay.

There was not an agreement among the three provincial governments because of a dispute between Manitoba and Ontario over the extension of the Manitoba-Ontario border into Hudson Bay and whether or not it projected due north or was an extension of the diagonal line. In the absence of that, the federal government in any event was claiming offshore jurisdiction and was issuing leases and monitoring development of oil and gas resources and exploration programs through the federal Department of Energy, Mines and Resources.

I still do not know if there is a clear understanding about it and I think the recent Supreme Court of Canada decision with respect to parts of Vancouver Island between the mainland and the island have clouded it even more. I still do not think there is a clear understanding at this point on all the ramifications of jurisdiction.

There has not been a challenge over jurisdiction, although we have obtained information on the leasing history of the different sites in Hudson Bay and James Bay for our own information purposes and have kept abreast of the federal government's activities there.

There was a lot of shifting around of oil and gas leases in the late 1970s. Generally speaking, there were three or four companies with some interest in pursuing exploration work there. However, that did not amount to much. The leases were dropped and then picked up by one of

the other concerns. We had this shuffling around of leases for a time, and that is continuing. Much of the area is under massive lease arrangements with the federal government.

We would like to see more money spent on exploration and development work there to explore that potential and try to put in place some development programs for it, but there are other issues, which you alluded to in your statements, concerning the arrangements with the Royal Commission on the Northern Environment, the concerns of the native people and their rights and how their environment could be affected by these kinds of developments, not only the developments themselves but the transportation of the product.

At this point, there is not much activity that would warrant a program response, although in general terms our attitude is one of encouraging exploration and development.

Mr. G. I. Miller: May I ask a supplementary in regard to gas?

There are a lot of small drillers in our area who are interested in keeping those wells running in the southern part of Ontario, particularly in Haldimand county where there are a lot of old fields. Is there any incentive from your ministry to encourage that type of drilling or are there any suggestions that might encourage those small drillers to try some deep wells in southern Ontario?

Hon. Mr. Pope: No, there is no specific incentive program to do that.

Mr. G. I. Miller: There is a federal program for oil, but nothing provincially?

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: I would like to bring you up to date. They are bringing in a new line to Port Dover this year. That is going to be Union Gas. That is their first major one, but there are several.

Hon. Mr. Pope: That was one of Pembina's problems, getting access and making arrangements with Consumers' and Union to get access to get the volume space in the pipeline.

Mr. G. I. Miller: I think it would stimulate that industry if you could come up with some incentive or some statement. I know several small operators in Ontario who have the equipment to do that, but it is the cost factor and the risk factor that is holding them back.

Mr. Watson: I would like to ask a general question in terms of the ministry's relationship with other ministries in regard to taxes. I know you do not tax land, not in Kent county, but I am

particularly concerned with the marsh land and some of the problems that are occurring.

I have had several complaints. The problem in Dover township and other areas seems to be that the marsh lands are being assessed as residential. I have an example, the Bradley farms, which consist of 130 acres of land on concession 4, lots 5 and 6, Dover West.

In 1983 their taxes were \$736.78, but under the new assessment they are going to be asked to pay \$1,966.30, with no rebate because it is classified R for residential. It seems to me rather foolish to classify it R for residential. I would think you would have an interest there if you want to maintain marshes because this is the kind of land that can be drained and farmed or can be flooded and used as a marsh.

Do you have any comments on what the ministry is doing with regard to assessment relief on farmed lands, particularly in areas that can be farmed?

Hon. Mr. Pope: The wetland acquisition program we have had for some years through the conservation authorities results in the land being provincial land and therefore there are tax arrangements and grants in lieu of taxes that flow from that to the municipal taxing authorities.

In addition, private groups have been acquiring wetlands or have been creating wetlands and trying to develop them even further as habitat for fish and wildlife and for other recreational purposes. Along with the normal owners of wetlands, they face a recent problem where there is an assessment of these lands as residential.

We do not think it is conducive to our priority to encourage the retention of wetlands or to encourage the development of wetlands and make them available for more people to enjoy. Both myself and the Minister of Municipal Affairs and Housing (Mr. Bennett) have indicated to the Minister of Revenue (Mr. Gregory) recently, in writing, that we would like some changes made in that system and a different classification set up for ecologically important sites, including the wetlands but not exclusively. We would like to have a different assessment system in place for that so that municipal tax costs and provincial land tax costs are not exorbitant and do not create problems for the owners of wetlands.

8:20 p.m.

I am hopeful we can sort out that situation because I have received three or four letters, mainly from southwestern Ontario where there has recently been some reassessment work done.

That has generated the interest on our part to solve the problem.

Mr. Watson: There is a rebate system for farmers, on improved woodlands I guess the designation is. It is pretty hard to justify the difference from a farmer's point of view of whether he has a farm which is recognized as a woodlot or whether he has a farm which is recognized as marsh. I guess it becomes particularly acute in our part of the country where one can go either way. In a lot of cases woodland is all they are suitable for. These areas can be marsh or they can be farm land. Is not a proposal to give at least a rebate on this type of marsh land as reasonable as giving it on certain woodlands?

Hon. Mr. Pope: I think our preference at this time is to try to see if we can solve the problem through change of classification under the Assessment Act and work with the Ministry of Revenue, although I would not rule out another alternative in the future.

Costs of the rebate systems can at times become prohibitive and affect one's ability on a quantitative basis to make those kinds of payments, particularly in regions of northern Ontario where we have massive wetland areas. But we are prepared to look at that option as well. We think we have to have in place some sort of assessment inducement or some sort of rebate inducement to encourage farmers particularly to maintain these wetland areas and not necessarily have them tile-drained. Somehow we have to sort that out, and to date we have not done it.

Mr. Watson: I would like to suggest to you that a system similar to the farm land one would give everybody a certain amount of satisfaction, because there are those who say the assessment on the marsh lands should be very low. If you go to that kind of a system then everybody else in the municipality has to raise a certain amount of overall taxes; if you lower it on marsh land, it is going to go on to everybody else.

It seems to me that in a rebate system, as a province we determine these marsh lands are valued and are needed for migratory birds, ecology and for groups such as Ducks Unlimited that want to maintain that kind of wildlife. If that is a value, then the province, the owner and the municipality have a responsibility to share in keeping it that way, and a rebate system would do it. If the province does what some of the owners are asking and simply lowers the assessment way down, that makes everybody else in the municipality a little annoyed because they maintain they are helping to pay for the duck hunting territory of people who enjoy that sport.

I would strongly recommend to you that a rebate system might be workable and acceptable in some of the areas of Kent county.

Mr. McGuigan: I guess you can hold your answer because it will be for both of us. I would like to support the member for Chatham-Kent (Mr. Watson). I asked the minister a question about three weeks ago on this very subject in the Legislature?

I have the figures here, just to put this into perspective. The 1980 market value was \$4,000 an acre for class 1 land and \$3,535 an acre for class 2 land. We are talking about a special lot of land. It has almost the same value for farming as it does for development, whereas when we are talking about marsh land in the north, it is not very likely anybody is going to develop that for farming.

It seems to me we are talking about a very small acreage in southwestern Ontario as opposed to the vast acreage in the north. I can see the problem you have in going the revenue route. It seems to me if you could make a distinction of land that could go both ways and then give a rebate to that land, you would probably have a simpler and easier thing to deal with than you do with the others.

I will just go on here. Most of the township is made up of these two classes. The percentage factor under the Assessment Act applies to agricultural land, qualified by 2.1 per cent, which equals an assessed value of \$84 an acre, and for class 2 land, \$74.24 an acre. Wetlands assessed as recreational and residential property and valued at \$1,300 an acre multiplies by a percentage factor of 4.5—where the problem comes in is with this 4.5 per cent—equals \$58.50 an acre of assessed value.

Applying a mill rate of 250 mills to all three classes results in a tax of \$21 per acre for class 1 land, \$18.56 per acre for class 2 land, and \$14.62 for wetlands. Of course, the wetlands appear to have the lower tax, but under the farm tax reduction program, 60 per cent of the property tax will be rebated next year by the Ministry of Agriculture and Food. This will mean that the net tax on Class 1 land will fall to \$8.40 per acre and to \$7.42 for class 2. These figures compare to \$14.62 per acre for wetlands.

It seems to me you are sending a clear signal in two ways to these farmers. One is that this wetland policy is going to be in effect in two or three years. One is going to get two or three years to make the change before he can be prohibited, and there is a financial incentive in place to make one do it. I am afraid that by the time the Ministry

of Revenue goes through all the ramifications of the program and what it might do to so many other areas of the revenue system, we may be too late and the game will be over.

I would side with the member for Chatham-Kent in urging that the government do something on what I think is a relatively small area of land and do it more or less on an emergency basis. There may be a few other spots along the Great Lakes, but I do not know of any others in our immediate area. There may be some down where Gordon Miller is. Are there some marsh lands which could be developed there?

Mr. G. I. Miller: Around Turkey Point and Fort Erie there may be.

Mr. Kerrio: Dunnville?

Mr. G. I. Miller: The Dunnville area, yes.

Hon. Mr. Pope: Yes, and Long Point Bay just around the north end of it.

Mr. G. I. Miller: That is all pretty well conservation now, or quite a bit of it is.

Hon. Mr. Pope: Yes.

Mr. Watson: In Dover township I believe there are something in the order of 30,000 acres of land pumped. In other words, if we did not have the pumps in place, that land would be marsh land. Some years it would be dry and some years it would be wet. Right now, with high water, it would be wet and it would go to marsh.

It is just very difficult to explain to somebody why there is a difference, because the land is the same height and the same quality, but it just happens to be the use. Really, it is the way it is farmed; it is farmed as marsh or it is farmed as agricultural land. To me, there is an awful difference between a bog someplace that one cannot drain that is marsh land and this kind of land which is all farm land. There is a crop on it, and the marsh happens to be the crop.

Mr. McGuigan: If I can just add one more thing, the trouble with the thing is when you drain this land, it is only good for 60 to 70 years and it is all gone. The Erieau marsh area near me has been broken since about 1920 or thereabouts.

Mr. Kerrio: Is the Holland Marsh going the same way?

Mr. McGuigan: Every marsh burns up. It oxidizes when you drain it. When I was a kid there were 1,000 to 1,500 acres of that marsh land. Today there are less than 200 at the moment, and in another 10 to 15 years they will be entirely gone. Whether we keep it for marshland or for farming decides whether or not it lasts for less than 100 years or for ever.

8:30 p.m.

Hon. Mr. Pope: With respect to wetlands, it is true that in terms of recreational use there is a perception around that people from out of the area come in and use them to hunt migratory fowl and to some extent for fishing and these kinds of things. The point we have been trying to make in the development of wetlands policy has been that it is not just those uses, but the impact of wetland preservation on water quality and on water cycles and therefore on water quantity.

That affects the individual farmer directly in terms of the maintenance of quality of water he draws upon in his well system, in terms of flooding and in terms of the maintenance of the water table at a level he has come to expect it to be at. Therefore, wetlands have a direct economic value to the landowner, even if others use it for recreational purposes.

One can go two ways on this. One way, as the member for Chatham-Kent has been saying, is to make the program one of a rebate system to the owners. If that were the priority, we would be paying out of the ministry budget for that rebate process. On the other hand, we also think it is important that we have an acquisition program, and that is what the conservation authorities have been doing for the last 10 years or so, acquiring wetland. They happen to be in the flood plain, but some of them are not necessarily in areas immediately prone to flooding.

To acquire them and hold them in public ownership in some cases is the only way to guarantee they are going to be held as wetlands in perpetuity. We could have a rebate system of payments over a period of 10 to 15 years and then the holder of the lands might decide for some other reason—or the ownership may change—to abandon the concept of maintaining the wetland and forego the financial benefits of the rebate and develop the wetland or drain it and put it to some other use.

We have tended in the ministry to look at acquisition by conservation authorities and other public authorities such as the Ontario Heritage Foundation as the way to preserve these wetlands on a permanent basis.

Mr. McGuigan: I could not agree with you more about that being the way to go. I think you are missing the fact that the Dover marshes are a very special case.

That land, which was drained and sold as muck farm land is worth in the neighbourhood of \$8,000 to \$10,000 an acre. There is such a pressure there to move that land that I think your long-term programs are not going to be effective.

There is a weakness in the system. You say you are selling the story that wetlands are good for us all, and I think all the farmers in the area agree. I do not think there is any disagreement on that. But the individual owner, who has a good chunk of that 30,000 acres—3,000 acres were you saying?

Mr. Watson: No, there were around 30,000 there below lake level. That would be bog without drainage systems.

Mr. McGuigan: For the people who own that, it is an awful lot of money. If you are talking about acquisition, it is probably beyond the government's capabilities at the moment to acquire. It is very expensive.

Mr. Watson: There is not that much in marsh now. That is not the peak of usage. What I am saying is that the number of acres that are below the lake level—

Mr. McGuigan: Yes, the whole area.

Mr. Watson: It would be if we did not have our dike system in place. What the farmers simply say is that there is a farm that is farmed and they get agricultural rebate taxes on that, and there is one they have not drained yet. In fact, it is amazing because the Bradleys have one of their marshes which they had completely drained and then flooded it and farmed it that way for years.

I think they have redrained that particular farm now, but for years, it was ironic in that they had a farm they had had tile drainage in and then decided to flood and farm again.

Mr. McGuigan: We are sending the wrong signals.

Hon. Mr. Pope: I understand what you are saying. I guess my answer is that we have started by trying to deal with it from an assessment point of view and asking for a change in the assessment system. I hear you saying that you would prefer the rebate process.

Mr. McGuigan: Either way, just as long as it is quick. I am afraid the assessment approach will be too slow.

Mr. Chairman: No pun intended, but I do not want to get bogged down on one subject here. I wonder if we could move on. We have spent a fair bit of time on this one subject. Mr. Watson.

Mr. Watson: I have a lot of other subjects.

Mr. Chairman: Let us try to relate fairly closely to this vote. I am only allowed a bit of latitude on that, but if you have any specific things, go ahead.

Mr. Watson: I have a couple of things that are specific. There are a couple of other things, but I

do not know where they fit in. I will raise another one here while Mr. McGuigan is here.

Mr. Chairman: I will try to help you.

Mr. Watson: It involves ownership of land and purchase of land by the ministry. I think Jim and I both know about a situation in Rondeau Bay where there was a—

Mr. Laughren: What is all this “Jim and I” stuff?

Mr. Watson: —court case that established that the ownership of land belonged to the farmer and not to the Ministry of Natural Resources. There was some threat on the part of the ministry to stop that land from being diked under the federal Fisheries Act.

Mr. Laughren: Who was being threatened?

Mr. Watson: Do you have any comments on whether or not you want to buy the land or whether or not you are going to let them build the dikes? Or are you going to let the court case proceed under the Fisheries Act to stop them from building the dikes, when it has been established in the courts that they own the land?

Hon. Mr. Pope: I guess my feeling is that in all honesty we cannot acquire land every time someone disagrees with the conditions we might want to put on their right to develop it. There is a lot of privately owned land that has some importance for the other resources of the province, not only for the fish and wildlife habitat and resources but also just from the environmental point of view in terms of the type of plant cover or tree cover involved.

Our staff has to assess that. Our biologists and botanists have to assess the importance of the site and the potential impact of that kind of development is. Every time we have a conflict with a private land owner it does not mean that somehow we should have to buy the land.

We had the same fight over flood plains. Just because we designate an area as prone to flooding, it does not mean we should all of sudden have a position where we have to acquire all that land because we said it was prone to flooding, even if it was actually flooded in the past. Somehow we have to come to a sawoff on this, as to whether or not every time we move to protect resource values we are stuck with a “pay me, because you are in my way” sort of attitude.

Mr. Watson: The implication goes back to the subject we have just been discussing. I do not want to get bogged down on it, but if you can do that with land on the edge of Rondeau Bay then you can do it with the marshes in Dover township. You can tell these people they cannot

drain the marshes because there are some kind of pollywogs that spawn in there or something which is of value to the environment.

Again, there are principles and implications for this land, which is really below lake level in its natural state. On behalf of the owners involved, I think we should either consider buying the property or let them go ahead and dike it. The ministry did challenge them in court and lost. The ministry appealed it and lost the appeal. I think we are becoming very unpopular because of the frustrations we are putting in the road.

8:40 p.m.

Hon. Mr. Pope: On the other side, I would have to make the argument that when the owner purchased the land, he knew the condition of the land and knew the bogs existed, although he may not have known the importance of them ecologically or for other resource values. Nevertheless, I think we have an obligation to look at those values before we make an absolute decision one way or the other.

I realize it affects the right to private property, which is something I support. Collectively, if we just threw up our hands every time someone wanted to do something with his land, all of our flood plains would be like the flood plains of the Mississippi River system. They would all be filled and paved and the water would run off through our rivers at an enormous rate with peak flash floods in the spring of the year. The people at the bottom end of the river systems would be flooded out on a regular basis. At some point, if enough private property owners do not want to take account of some of the environmental considerations, other people's private property rights are going to be affected.

That is an overgeneralization of the problem, but somehow you have to wrestle with the two sides of the issue and come up with some solutions. What we have been trying to do is have our staff assess, on a property-by-property basis, the importance of the environmental and resource values that have to be protected. From time to time it is true we are interfering with private property rights.

Mr. McGuigan: Again you know something about this that I do not. I thought they had won their case and they could go ahead with the land. Is there some further cloud hanging over it?

Hon. Mr. Pope: There is no cloud hanging over their title; they own the land. The use they put the land to may have an impact on other values that are not owned solely by the private individuals.

Mr. Rae: What about the zoning?

Hon. Mr. Pope: There are general rights to enjoy resources granted on behalf of everyone. We allocate them by different processes. The people of Lake Erie, the 2,000 commercial fishermen who work in the \$30-million-a-year commercial fishing industry, and the sports fishing fraternity, which spends \$200 million a year in the Great Lakes system, would surely feel there was some direct personal impact on them and on their enjoyment of their province if we undertook decisions as the Ministry of Natural Resources not to intervene to protect sensitive fish habitat, shoal areas, spawning areas and wetland areas along the shores of the Great Lakes. Somehow we have to balance that all out.

Mr. McGuigan: I cannot quarrel with that. What are you doing?

Hon. Mr. Pope: As I say, we try to analyse the significance of the value to be protected. Using a variety of statutes, we may intervene. Sometimes we do it under the federal Fisheries Act because the federal government assigned responsibility for administration of the act to us, although they are now going to monitor and may intervene directly. Sometimes we may use other statutes that we have within the Ministry of Natural Resources to intervene to protect those values. If we do so, often we are put in direct conflict with property owners who say, "You are interfering with my private property rights."

Mr. McGuigan: Have you made a decision?

Hon. Mr. Pope: On Rondeau Bay?

Mr. McGuigan: Yes.

Hon. Mr. Pope: I do not know whether the staff has made a decision. They have stopped the project; so I assume we have made a decision.

Mr. Watson: They have stopped the project. Every other farmer has built his dike out to the edge of his land in Rondeau Bay. This fellow had to go to court to establish that it was his land, and now you are stopping him. You are not issuing the permits, and you are threatening to stop him under the Fisheries Act because you did not win it under land ownership. I think the fellow is getting a raw deal.

Hon. Mr. Pope: I do not believe that is the reason. I do not think our staff would say that just because we lost the court battle, with respect to ownership of the property, we would get even in terms of use of that property if it might have an impact on the resources.

Mr. Laughren: You have been known to be petulant.

Mr. Watson: There is an element of fairness there. I do not know how many land owners have land dikes against Rondeau Bay, but I think almost every farmer has a dike against the bay and out to where the land ownership was established. It is one of those little problems that I wish you would resolve. It is being held up, and the people involved have a lot of money involved. They got part rights and now they feel they are stopped. I guess what I am saying is to either let them go ahead or decide that the fish spawning ground is important enough to belong to the province.

Mr. McGuigan: The thing that complicates this issue, as I understand it, is that this land was farmed at one time when water levels were lower. It was farmed and at one time they extracted muck from it. It was used by a fertilizer factory in Chatham. The Pere Marquette railway, later the Chesapeake and Ohio line, was used to haul it into Chatham, where it was used as filler in making fertilizer. That was back when we had low-analysis fertilizers and they needed a filler. The land was used, and on that basis these people had a clear title to it. It is not just quite a simple case of reaching out into a bay and taking former wetlands. I think it is a little more complicated.

Mr. Kerrio: Much of that land had riparian rights, did it not?

Hon. Mr. Pope: Absolutely. There is no doubt that sometimes the history is one of development for other purposes. The Mariposa drain is a perfect example. It started out as a municipal agricultural drain system many years ago. It became an important habitat for muskie in the area of Mariposa township. We then had a petition by farmers to redredge that area to improve the drain. That was contested among the farmers' groups in the area. There was not unanimous opinion, but they went ahead with the drain anyway.

The anglers and hunters of the province—this was to protect a fish habitat that had developed after the initial work was done—wanted to move under the Fisheries Act and bring everyone into court. We had meetings and tried to work out a compromise. I still do not think we necessarily solved the problem, but we tried to get the groups together. There is no doubt you are going to get conflicts. From time to time you are actually dealing with land that was once in agricultural production or used for extractive purposes.

Mr. McGuigan: What happens when these people fight back and probably take you to court? Can they make a case for compensation?

Hon. Mr. Pope: Under the federal Fisheries Act, at least as it developed in the Spanish River, there is no case for compensation.

Mr. Watson: Mr. Chairman, where are you going to deal with the fishing quotas?

Mr. Chairman: Probably under the appropriate vote, rather than at this point.

Mr. Watson: We are dealing with policies. It is a current policy that—

Mr. Chairman: No. Fisheries would fall under lands and waters or something or other.

Mr. Watson: If you do not wish to deal with it here, I will put it off. I would like to discuss the matter.

Mr. Chairman: I have no objection to discussing it at the appropriate time.

Mr. Watson: It is very topical down our way.

Mr. Chairman: I think it would be more appropriate to deal with it under the appropriate vote.

Mr. Sweeney: Mr. Chairman, may I do something very unorthodox and ask a question about the budget?

Mr. Chairman: I do not know whether we are going to discuss that here tonight. Yes, please.

Mr. Sweeney: Am I allowed to ask a question about the estimates?

Mr. Chairman: Nobody is prepared to answer questions on that, but try it anyway.

Mr. Watson: Somebody said there had never been a question on the budget.

Mr. Laughren: You will not perpetuate the love-in, though, will you, John?

Mr. Sweeney: I do not want to set a precedent.

Minister, I am looking at vote 2601. It is all part of vote 2601, I understand from the chairman. There seems to be a significant increase there, as a matter of fact an increase of 40 per cent.

As I read through the description on page 15, I am struck by two things. First, there is the description itself at the top. I understand the words, but I am not sure I understand the meaning of the fourth line, which says, "Data is to be treated as a corporate resource." I would like an explanation of that.

8:50 p.m.

Second, I notice that down near the bottom of the page, to the right, there is talk there about a consolidation. That probably in some way explains this 40 per cent increase. As I look at the number of staff at the bottom of the page, an increase from 31 to 59, and then go back to

information services, where I would expect the consolidation to come from, I notice an increase from 62 to 75. I go back once more and notice an increase from 37 to 40. I go back one more and notice an increase from 72 to 74, and go back one more and notice an increase from 80 to 115. In other words, it seems that all these votes but one have fairly significant increases in staff.

There is a talk about consolidation here, but I do not know where it is. Even in terms of the actual dollar offset, if we go back to item 5 with respect to information services, the decrease there of \$192,100 does not come close to matching the increase of \$577,100 in item 6.

All I am asking you to do is to help me to reconcile these figures and to explain where all these new staff people come from in every vote, if there is supposed to be a consolidation. What does the term "data is to be treated as a corporate resource" mean in the context in which it is used here?

Mr. Kerrio: It means hide the polls.

Mr. Sweeney: Possibly. Perhaps that is one of the questions I am asking indirectly.

Mr. Kerrio: What else?

Mr. Sweeney: Does that all make sense to you?

Hon. Mr. Pope: There has been ministry-wide consolidation. For instance, the advertising budget increased significantly; that was because the parks advertising budget was rolled out of the parks branch and into the ministry advertising budget about a year ago.

Staff in systems development services, advertising and communications have been distributed through regional offices and in some cases district offices. We thought it was important that the communications staff and the systems development and computer data staff be pulled together.

We made a corporate decision to pull together and centralize the information and communications systems within the ministry. There was a total reorganization between the field and the main office in Toronto. That is the explanation for it.

The fact of the matter is that we had a public communications system with which I was not satisfied. We did not have a direct mail system. We did not have lists of client groups. We did not have any way of getting hold of them except for issuing news releases. I know our news releases are entertaining to some people in the Toronto area, but they are not always passed on to others

in other parts of Ontario who might be affected by those kinds of decisions.

We wanted to get into direct mailing. We have been trying to accumulate for the first time, for example, a list of commercial fishermen whom we can contact directly from the head office of the ministry to explain the modernization program. We can communicate some of its aspects to them. We wanted to have a system to contact the 87,000 hunters in Ontario who applied for moose tags last year to explain the changes we have made in the moose allocation system with the validation tags and the computer draw, and to explain where we were headed in terms of moose management. We did not have a system to get to them to explain all this.

In addition, we had all sorts of information systems decentralized in our district offices. I know that in 1979, when I was Minister without Portfolio, this ministry did not even know—

Mr. Laughren: Is that when you were responsible for freedom of information?

Hon. Mr. Pope: That is right.

Mr. Laughren: What an incredible training ground that was for you for this ministry.

Hon. Mr. Pope: It was; it worked quite well.

As a result, we decided we wanted to have a complete index of files. We wanted to have a complete index of the kinds of information in our district offices. By the way, that index is in the ministry library.

Mr. Laughren: Oh, good.

Hon. Mr. Pope: Your people have been there before.

Mr. Laughren: You have allowed it to be placed there.

Hon. Mr. Pope: As soon as we had it, I put it in there.

We also wanted to put into place some of the other corporate communications processes that involve the use of information. That included the land use planning process, the forest management agreement systems, the open houses we used and the communication adjustments we had to make to ensure that was done properly. These all led to a reorganization of information systems and communications personnel.

Mr. Sweeney: Is this consolidation resulting in a single sourcing or do you still have all those services in that decentralized way and have this one on top of it? In other words, do you have one system or two systems now?

Hon. Mr. Pope: We have one system, which is a more organized system than we had before. I

think it is important to have it more organized in this fashion because there are so many varied programs that the ministry administers and so many client groups we have to communicate with that we simply need to have all this information pulled into the main office.

Mr. Sweeney: There is not an equivalent system out in the field then. You do not have duplication?

Hon. Mr. Pope: No.

Mr. Sweeney: It would appear from the data I spoke about in my original question that, overall, you are spending considerably more dollars and you seem to have considerably more people. Am I misinterpreting something? Is there another offset somewhere? There is certainly no offset in the first six items I have referred to. There may be somewhere else. I admit I have not gone very far, but certainly there is no offset in the first six. Where are the offsetting costs and the offsetting staffing that would account for the fact that all this is now in one office rather than in 20 offices?

Hon. Mr. Pope: In fact, between 1983-84 and 1984-85 we reduced the number of classified staff by 121 and the number of unclassified staff by 127.

Mr. Sweeney: Where do the figures appear that show the situation overall? I just drew to your attention that they do not appear in the first six items.

Hon. Mr. Pope: That kind of information appears all the way through the estimates.

Mr. Watson: Look at field administration activity, vote 2601, item 9.

Hon. Mr. Pope: Yes, 608 and 109 for a total of 717. It accumulates all the way through. I can give you the lump sum decrease for 1984-85 over 1983-84.

Mr. Sweeney: What was the total figure again?

Hon. Mr. Pope: For 1984-85, it was 3,791 classified and 3,869 unclassified, for a total of 7,660.

Mr. Sweeney: And that compares with?

Hon. Mr. Pope: The 1983-84 figures were 3,912 and 3,996, for a total of 7,908.

Mr. Sweeney: So the overall figures are 7,900 versus 7,600?

Hon. Mr. Pope: Yes, for a total reduction of 248.

Mr. Sweeney: What kind of people? Are these all information people we are talking about here?

Hon. Mr. Pope: No. You can go right through the list, the personnel information for each of the program areas is there.

Mr. Sweeney: But the consolidation you spoke about was primarily in the general field of information.

Hon. Mr. Pope: But that is different. We were talking there about a consolidation from the field.

Mr. Sweeney: Okay. I will have to try to pick them up as we go along.

Mr. Laughren: Mr. Chairman, I want to deal with several matters of policy and to begin with one that is of major importance, namely, forestry. Perhaps it would be best if I put it in the form of a motion so the committee is dealing specifically with the motion on this matter. Would that meet with your approval, Mr. Chairman?

Mr. Chairman: I do not know. I suppose I have to hear the motion first before I can rule it in order or out of order.

Mr. Laughren: I believe the subject would have more import if it received the backing of the committee as a whole. For that reason I want to put it in the form of a motion.

Mr. Wrye: You are always so moderate, Floyd.

9 p.m.

Mr. Laughren: I move that this committee call for an independent audit of the state of Ontario's forests.

If I might speak to my motion, which I am sure you would want me to do in order that you can move intelligently rule it in order, there are two points to consider: one is the purpose of such an audit, and the second is the justification for it. I think they are two separate things.

The reason I think it is a legitimate motion and one the committee should deal with seriously is the number of independent-minded and objective observers of the forests who are saying it is necessary. The numbers that are being churned out by the Ministry of Natural Resources are simply too self-serving to be taken seriously by those independent-minded and objective observers.

I also believe the purpose of such an audit would be to lay to rest, once and for all, the conflicts that are swirling about and surrounding the state of our forest.

Mr. Kerrio: I am sure the minister is going to accept that.

Mr. Laughren: If he does not, it will be an indication that he does not want an independent audit for the obvious reason—

Hon. Mr. Pope: That is in your mind.

Mr. Laughren: —that he would rather deal with his own self-serving numbers—

Hon. Mr. Pope: As opposed to yours.

Mr. Laughren: —than those that might be churned out by an independent audit.

Hon. Mr. Pope: As opposed to yours.

Mr. Laughren: No, I do not want my numbers. What I am asking for is an independent audit so the public is not dealing with my numbers or your self-serving numbers. I believe it has been shown there is adequate confusion out there on the survival rate data and on the stocking levels of the second forest to justify an independent audit.

Until now, every time we have raised questions about the state of the second forest, the minister has said, "No, it is the feds," or, "That is the New Democratic Party," or, "That is an academic forester who is out of touch." Then, when we get a report by a Ministry of Natural Resources forester who has some experience and some independence of mind, the minister stone-walls and says, "No, I do not want an independent audit."

Hon. Mr. Pope: I am sorry, but I did not stonewall—

Mr. Laughren: Not only that, but you will not even table the report.

Hon. Mr. Pope: As I said last week, I will table it when I am ready to deal with it.

Mr. Laughren: Yes, I know—

Hon. Mr. Pope: Like every other ministry.

Mr. Laughren: —in your sweet time.

Mr. Chairman: Mr. Laughren, will you stick to the argument on your motion, please.

Mr. Laughren: I am trying to address myself to the motion. The minister is over-reacting to my point that there is ample justification for an independent audit.

Does the minister or the chairman feel there is no conflict about the state of our forests? Are we saying that everybody is out to lunch who says the state of the second forest is in question and that the wood supply for the future is in question? Are only the minister's self-serving numbers appropriate? Are they the only numbers that are correct and should be believed?

One has to have some kind of imagination to think that only the numbers emanating from the Ministry of Natural Resources, which has

decided they will be released in a form that suits it rather than in the traditional way of releasing numbers—

Hon. Mr. Pope: Which you have manipulated.

Mr. Laughren: What?

Hon. Mr. Pope: Which you have manipulated.

Mr. Laughren: What are you talking about? We used your numbers.

Hon. Mr. Pope: You manipulated definitions.

Mr. Laughren: No, we did not.

Hon. Mr. Pope: Yes, you did. You manipulated the definitions all across northern Ontario to serve your own purposes.

Interjections.

Mr. Chairman: Order, please.

Hon. Mr. Pope: Areas not available for regeneration all of a sudden were being permanently written off. That is nonsense, and you all know it is nonsense.

Mr. Laughren: We use your numbers—

Hon. Mr. Pope: Do not give me that garbage.

Mr. Laughren: —and your definitions.

Mr. Chairman: I remind the minister that Mr. Laughren has the floor.

Mr. Laughren: We use the minister's numbers and the minister's definitions, and when he found out they were embarrassing—

Hon. Mr. Pope: You did not use my definitions.

Mr. Laughren: Yes, we did. Absolutely.

Hon. Mr. Pope: You did not, and I will read you—

Mr. Chairman: Order, please. Mr. Laughren, you have the floor. Will you please speak to your motion.

Mr. Laughren: Do not talk to me. Talk to the minister.

Mr. Chairman: I have told the minister you have the floor. Now please speak to your motion.

Mr. Laughren: That is what I am trying to do.

Mr. Chairman: All right. If you will just address the committee on your motion, the committee can make a decision.

Mr. Laughren: All right. The point I am trying to make is that there is ample justification for an independent audit. I have used a couple of examples. I have used reports that go back a number of years, everywhere from those of the head forester now, Mr. Armson, back in 1976, to

the report of the Science Council of Canada and to our own report, which was developed by going around Ontario.

The minister can snort at our report and say it was politically motivated or whatever. Fine, let him say that, but I do not know how he forever is going to dismiss all the critiques by saying everybody is out to lunch, everybody is out of step except the minister and the numbers he wants to give to the people of Ontario. I do not think that is appropriate, fair or honest. I do not think the people of Ontario are well served. I do not think it is an honest use of figures.

Hon. Mr. Pope: You can say I am lying if you want. I do not care. Say it.

Mr. Laughren: The chairman would not let me.

Hon. Mr. Pope: Say it.

Mr. Laughren: Do not tempt me. You want me thrown out so I cannot carry on with my motion.

Hon. Mr. Pope: I just consider the source. You have been saying I was lying for three years.

Mr. Laughren: There you go with your self-serving arguments.

Mr. Chairman: Order.

Mr. Laughren: You want me thrown out so I cannot decimate you.

Mr. Chairman: Thank you for your motion and for your advice on it.

Mr. Laughren: Thank you, Mr. Chairman. I will continue.

Mr. Chairman: Mr. Rae, are you speaking to the motion?

Mr. Rae: Mr. Chairman, why I think the motion makes such good sense is that we have, I understand, only the first part of the report of Mr. Marek. My understanding is that the first part of this report was released to us. Yesterday, when my office phoned the office of the deputy minister, we were told the report was no longer in circulation. It is my understanding there is another part of the report that has not even gone as far as that. I must say I find it ironic that the government, having said people could see the report, has suddenly changed its mind and decided we are not allowed to see it.

We do have the following statements from Mr. Marek's report, which is entitled Evaluation of Three Silvicultural Treatments in the North Central Region. As everyone will know, Mr. Marek is a recently retired senior forester with the Ministry of Natural Resources who, according to the minister himself, was asked to do this

study; though I must say Mr. Marek has many comments in the report about things he was not allowed to do and things he was not allowed to see because of the lack of resources provided to him.

Mr. Marek's report is a devastating critique of what has been allowed to happen in much of the north to a very valuable resource. I would like to quote from the abstract at the beginning of the report. He says:

"The majority of silvicultural treatments in all three subject areas did not result in fully stocked stands of desirable species except in a few isolated areas. Most of the treated cutovers will not produce stands of conifers which would compare favourably with the original stands which grew on these sites. There are too many failures throughout the north-central region.

"The badly neglected tending of young stands has resulted in a shift of coniferous components to hardwood components in many plantations and seeded areas."

This is not the New Democratic Party speaking. This is not somebody speaking who has not been in the forest. This is somebody who has been an employee of the Ministry of Natural Resources for many years. He is saying things that are directly contrary to the information we have been receiving from the ministry itself up to the present.

He states very clearly: "This report should not be read as a scientific document. The means for preparing one of such calibre were not available." The thrust of Mr. Laughren's motion is that we need the audit precisely because the scientific means of an independent audit were not available to Mr. Marek, and they need to be made available to this independent auditor to establish exactly what the situation is.

9:10 p.m.

Mr. Marek makes one or two remarks that are of great importance. On page 5 of the report he makes it very clear that, depending on the method of survey used, you can come up with dramatically different stocking levels. He shows how those stocking levels have changed within the ministry itself and points out that while the new method seems to provide the Ministry of Natural Resources with more accurate and realistic information, he is still finding that many old assessment surveys were run rather close to the roadsides and landings, thus avoiding conditions at more distant sites.

What he is basically saying is that the assessments were done close to roadsides and landings and that therefore the old assessments

were not realistic because they did not give an accurate assessment of exactly what has happened in the bush.

He states, and I am quoting from the report: "Access to many of the project areas was not possible because of the isolation and/or general location of the area. The use of a helicopter was out of the question. None were available. As well, requests for aircraft were made on several occasions, but in vain.

"The district staff quite casually admitted that the situation in the bush was quite different from the situation shown in the records. The same impression was received when talking to the licensees."

That is a devastating statement to come from a retired civil servant of the ministry. What he is saying is that the information contained in the official records of the Ministry of Natural Resources is not accurate and does not reflect the situation taking place in the bush.

He states that they need to have a new monitoring analysis system, and he makes many recommendations as to how this could be done. It is very clear from Mr. Marek's report, however—and it is a report which members of the committee should read, or to which they should certainly have access. I think the public should certainly have access to it. We will make any copies available to any members of the public who want to have access to the report, since it has been made available to us.

It seems to us the situation now cries out for an objective assessment of exactly what is going on. Mr. Marek is not exactly alone. We also have the comments that have been made recently by—

Mr. Chairman: Mr. Rae, I think we have heard enough.

Mr. Rae: I am speaking to the motion.

Mr. Chairman: You are quoting from reports that we do not have in front of us.

Mr. Rae: That is not our fault. The reason it is not in front of you is that the minister has not made it available.

Mr. Chairman: The motion does not specifically refer to the Marek report. It refers to an independent audit.

Mr. Wildman: He is saying why they need it.

Mr. Rae: I am referring to why it is needed, and if I could just refer to one other expert who has made independent comments as well—

Mr. Chairman: Okay. Do it briefly, please.

Mr. Rae: I am referring to Professor Hernden at Lakehead University. Professor Hernden is the former dean of Lakehead University. He has

stated recently that there is a supply problem, but not because of the overall volume of wood available, as the minister keeps on saying, it is a question of type and a question of accessibility.

Professor Hernden is saying there is a very real problem with the supply of usable wood and that companies are routinely ignoring the concepts of sustained yield which should be the basis for forestry and for the management of forestry in northern Ontario.

He says there has been a serious overestimation of the volume of wood, which will result in bizarre decisions by the ministry with respect to certain decisions made about the volumes that could be cut. He refers to the Black Bay Peninsula as a good example of why the Ministry of Natural Resources is making mistakes, because the volume that should be there is clearly not there.

What is basically being said by these people, and if I may say so by others with whom we have talked in our task force over a lengthy period of time, is that there is a genuine problem.

Frankly, I think the minister has a very direct stake in covering the ass of the Ministry of Natural Resources, to put it quite bluntly, in terms of what the situation is. The companies have a stake in covering their own positions and their own assets in connection with what has been allowed to take place over the last 20 and 30 years.

It is time that somebody independent of the government, of the ministry and of the companies was able to go to the north and go into the bush with the kind of backup that is necessary and with the kind of scientific information available, to tell the public of Ontario, who are ultimately the owners of the resource, exactly what the situation is.

The public is entitled to know those facts. The public has been treated badly by not getting that information, and I think we continue to be treated badly by not getting the kind of objective information we need.

There is a coverup going on here, and I think the coverup is one that has to be dealt with.

Mr. Chairman: All right. That is fine.

Hon. Mr. Pope: Do I get to reply to this nonsense?

Mr. Chairman: In that I did not rule Mr. Rae out of order for carrying on a long dissertation not related to the motion, in my opinion, I will permit the minister a couple of minutes to reply.

Interjections.

Mr. Laughren: Well, sure; anybody can speak to the motion.

Hon. Mr. Pope: The leader of the third party said independent and objective observers want an independent audit. By that he means himself and his colleagues.

Mr. Laughren: Do not be silly.

Hon. Mr. Pope: That is what he means.

Interjections.

Mr. Chairman: Order, please. I have asked the minister for a few comments.

Mr. Laughren: Tell him to stick to the facts.

Hon. Mr. Pope: Mr. Marek has been saying publicly, for some time now, the kinds of things he said in the report. There is nothing new. In his opinion—

Mr. Laughren: It is time you listened.

Hon. Mr. Pope: I have been listening, my friend, and that is why I asked him. I reiterate something you conveniently forget to add from time to time. I asked—

Mr. Laughren: Yes, and put it under lock and key.

Hon. Mr. Pope: There is nothing unusual in me receiving the report, considering the recommendations and seeing what I can do to make the changes to bring about some of those recommendations. You may not agree with that system, but that happens to be the way I operate.

I like to study a report. I like to make some recommendations—

Mr. Laughren: Why cannot other people study it? You are not the only person who has to study it.

Hon. Mr. Pope: Because I have a responsibility as the the Minister of Natural Resources to the other members of the House.

Interjections.

Mr. Chairman: Order, please.

Hon. Mr. Pope: You oppose everything that is being done for the forests of northern Ontario. You are negative, you oppose everything, and you do not care what the consequences are for employment in the north.

That is your position. You oppose everything. That is why you oppose modernization, even though the union leader now agrees with it. You opposed it. You fought it all the way.

Your attitude is against the forests of the north, against our reforestation program. As long as you can posture in the House, you are happy. As long as you can posture, you are happy.

Interjections.

Mr. Chairman: We will recess for 10 minutes.

The committee recessed at 9:17 p.m.

9:24 p.m.

Mr. Chairman: I think the 10 minutes are now up.

Rather than hear any more debate, I feel I have to rule the motion out of order. Standing order 15 states that "any bill, resolution, motion or address, the passage of which would impose a tax or specifically direct the allocation of public funds, shall not be passed by the House unless recommended by a message from the Lieutenant Governor and shall be proposed only by a minister of the crown."

On that basis alone, I am afraid I rule that out of order.

Mr. Laughren: No. On a point of order—

Mr. Chairman: The motion is out of order.

Mr. Laughren: On a point of order, Mr. Chairman: There is nothing in my motion that calls for the expenditure of public funds—nothing.

Interjections.

Mr. Chairman: I am sorry, Mr. Laughren, that is my ruling. If you wish to challenge my ruling, you can so do.

Mr. Laughren: Wait a minute. Would you answer my question on a point of information?

Mr. Chairman: I am not prepared to debate.

Mr. Laughren: I am not debating with you. On a point of information: What is there in my motion that calls for the expenditure of public funds?

Mr. Chairman: The hiring of an outside consultant.

Mr. Laughren: There is no mention of hiring at all.

Interjections.

Mr. Laughren: Mr. Chairman, let me remind you that the Ontario government appointed a committee to look into technological change. One of the co-chairmen of that committee is doing the job for no income whatsoever—namely, Robert White. I am not going to prejudge and say that anybody is going to do it voluntarily or involuntarily, to charge funds or not. All I am telling you is that there is nothing in this motion that calls for the expenditure of funds.

Let me give you one precedent. The same rule applies to private members' bills, that there shall not be the expenditure of funds. My colleague the member for Sudbury East (Mr. Martel) has had a private member's bill before the Legislature on numerous occasions, calling for the Ontario government to acquire the assets of Inco to make

it a crown corporation, with no reference to the expenditure of funds.

Mr. Kerrio: Yes. He wants to just confiscate it.

Mr. Laughren: That is not the point. The point is that it was debated, and it was decided that there was no expenditure of funds called for in that private member's bill specifically. In this one, there is no call for the expenditure of public funds.

I suggest to you, Mr. Chairman, that you not be so quick on the trigger to rule this motion out of order. It does not call for the expenditure of public funds.

Mr. Chairman: As a secondary point to my ruling, I will also remind the members that we are discussing and debating here only items that are in the estimates. This item is not particularly in the estimates. For those two reasons, I rule this motion out of order.

Mr. Havrot: We are here to count dollars, not to trade seats.

Mr. Chairman: Are you prepared to proceed with the estimates?

Mr. Laughren: No, Mr. Chairman, you leave me no alternative whatsoever. I believe you are dead wrong.

You are not making this decision based on precedent or on the content of the motion. I will leave it to your imagination as to why you are making the ruling the way you are, but you leave me no alternative but to challenge your ruling.

Mr. Chairman: My decision has been challenged. Those in favour of upholding the decision of the chairman, please so signify. Six.

Those opposed? Five? Four?

Mr. McGuigan, I do not think you are member, unless you have a substitution slip that you did not turn in. We only have one vote in the centre here.

Mr. Kerrio: What are you trying to do? Stuff the ballot box?

Mr. Chairman: Six to three.

Mr. Laughren, you still have the floor, if you have any more questions on vote 2601.

Mr. Laughren: I would move another motion, since you seem to think that one was out of order. You will not in any sense be able to dredge up an excuse that this involves an expenditure of funds.

I move that there be a two per cent value added tax on lumber products that will be funnelled back into a forest renewal fund in Ontario.

Hon. Mr. Pope: What does that have to do with the estimates? I knew you were not in favour of the workers.

Mr. Chairman: I can hardly accept that motion, in that it does not relate to this ministry whatsoever.

Mr. Rae: If you guys do not do something, you will lose all those jobs, and you know it.

Mr. Wildman: All those jobs will disappear if there is no wood.

Interjections.

Mr. Chairman: Order, please.

Mr. Laughren: Aside from the minister's comments.

Mr. Chairman: I do not understand what that motion has to do with this ministry.

Mr. Wildman: It has to do with forestry.

Mr. Laughren: It has to do with policy.

Hon. Mr. Pope: I do not levy taxes.

Mr. Laughren: You do not? You do not levy stumpage fees?

Hon. Mr. Pope: Yes.

Mr. Laughren: I rest my case.

Hon. Mr. Pope: A two per cent reserve. Out of what?

Mr. Laughren: Out of the sale of lumber products.

Hon. Mr. Pope: Oh, I see.

Mr. Laughren: You do not hesitate to levy stumpage fees—and to increase them by 25 per cent, I might add.

Tell me where my motion is out of order, Mr. Chairman.

Hon. Mr. Pope: It involves the Treasury.

Mr. Laughren: Any more than stumpage does?

Mr. Chairman: Would you repeat the motion for the clerk, please?

Mr. Laughren: Yes, if you really feel it is necessary.

I move that this committee recommend that there be a two per cent value added tax on the sale of lumber products and that the proceeds from that tax be set aside for a forest renewal fund.

Hon. Mr. Pope: That is a sales tax.

Mr. Laughren: No, it is a value added tax.

Hon. Mr. Pope: It is two per cent of the sales.

Interjections.

9:30 p.m.

Mr. Chairman: Order. For the clarification of the chair—

Hon. Mr. Pope: It is not on crown dues; it suggests two per cent on sales.

Mr. Chairman: For the clarification of the chair, your motion—

Mr. Laughren: You are really making a contribution.

Mr. Gordon: Nobody will be able to afford a house in Ontario after that.

Mr. Chairman: I wonder if the committee could please direct its remarks through the chair so that I can—

Mr. Laughren: Tell that to the member for Sudbury (Mr. Gordon).

Mr. Chairman: I said "the committee."

Mr. Gordon: Nobody will be able to afford a house after that.

Mr. Chairman: For my clarification, are you suggesting that the two per cent be levied at the retail level?

Mr. Laughren: No.

Hon. Mr. Pope: He just changed his motion.

Interjections.

Mr. Chairman: When I heard the motion, when you repeated it for the clerk, you said, "levied on the sale of lumber products," did you not?

Mr. Laughren: It is a value added tax on the value of lumber products. That is what it is.

Mr. Chairman: On the sale of lumber.

Mr. Laughren: The federal manufacturers' tax is not imposed at the sale level. It is imposed before the retail sales level.

Mr. Gordon: A hidden tax. That is it, hide it from the public. That really makes sense, does it not? You are going to hide it from the public.

Mr. Chairman: Order, please.

Mr. Wildman: Do you know what a "value added tax" is?

Mr. Gordon: I am just listening to what he said. I am not—

Mr. Chairman: Order, please.

Interjections.

Mr. Gordon: Come on. You want to make it so that people cannot afford houses, and then you start walking around dipping and dieting.

Mr. Chairman: Order, please. That is enough of those remarks back and forth. As I suggested before, please go through the chair if you have remarks to make.

Mr. Wildman: I will direct everything I say to the chair, because the other members obviously do not understand it.

Mr. Chairman: I am suggesting to all members that they please go through the chair.

I am sorry that I have to make exactly the same ruling on that motion because it is levying a tax, which we have no authority to so do. Under standing order 15, it says, "the passage of which would impose a tax or specifically direct the allocation of public funds." For that very reason, I am going to have to rule that motion out of order.

Mr. Laughren: Do I still have the floor?

Mr. Chairman: If you have another point to discuss. That motion is out of order.

Mr. Laughren: Okay.

Mr. Chairman: If you have another point to discuss; on vote 2601, please.

Mr. Laughren: I would like to let the member from York South (Mr. Rae) carry on the debate at some length.

Mr. Chairman: No, he is not the next speaker.

Mr. Laughren: Wait a minute, Mr. Chairman. Are you telling me that a member is not allowed to defer to another member of his own party?

Hon. Mr. Pope: He has to wait his turn.

Mr. Laughren: Is this a new ruling?

Mr. Chairman: I am recognizing people on a rotation basis. I had your name, and the next speaker is Mr. Lane.

Mr. Laughren: I want to tell you, Mr. Chairman—no, I am not giving up the floor, not under those conditions—you are setting a precedent this evening in that regard.

Mr. Chairman: Had you deferred to someone else at the beginning, I would have been more than pleased to accept that. However, you have spoken on several occasions, and I have a list here that I am going ahead with. I have nobody else after Mr. Lane on the list.

Mr. Laughren: I will continue, then.

Mr. Chairman: I am sorry. I thought you had surrendered the floor.

Mr. Laughren: No. I was only deferring to my colleague. I was not deferring to anyone else.

Mr. Chairman: All right.

Mr. Laughren: Mr. Chairman, I guess you are leaving me no alternative but to proceed through some of the critiques of the ministry policy vis-à-vis forestry. That is not what I had hoped to be able to do this evening. We had agreed we would deal with general policy.

However, if that is the way you want to play it, that is fine; I will go along with you.

Mr. Chairman: Before you proceed, I had already ruled Mr. Watson out of order for wanting to discuss something that was of a specific nature. Although we are allowing a lot of latitude, we are trying to deal with the ministry administration program.

Mr. Laughren: Okay, Mr. Chairman, I will carry on with the general policy of the ministry.

There are a couple of areas that bother me a great deal. I will tell you what they are and then proceed to deal with them. One is the whole idea in the Ministry of Natural Resources that forest management agreements are the only appropriate model for the management of forests in Ontario.

The second policy area that is bothering me and does not serve Ontario well is—and I will say it again and again—secrecy within the ministry. At some point, someone has to get through to the minister that the forests in Ontario are not his toy. Someone has to get through to the minister that when reports are produced using public expenditure and civil servants, and then laid before him, those documents are not for his personal accumulation. Those reports belong in the public domain.

For the minister to do what he has done on the Bird report on utilization and with the Marek report, for example, is so outrageous. He gave the report to me, or rather his ministry did, and to the Liberal critic, Mr. Reed, and then said, "We have reclassified this as a secret report." What kind of nonsense is that?

Hon. Mr. Pope: None of that is true.

Mr. Laughren: Well, is that report available to the public? Has it been tabled?

Hon. Mr. Pope: It never was.

Mr. Laughren: That is correct. That is what you say. So it is a secret report.

Mr. Chairman: Minister, I am sorry, but you cannot respond if you are not in your seat.

Hon. Mr. Pope: It was not reclassified. It was available, and now it is not available.

Mr. Laughren: It was available and now it is not available.

Mr. Chairman: Mr. Laughren, perhaps you can help me. Did we not discuss this the last time we were together here? I guess it was Monday evening.

Mr. Laughren: Yes, but since then the minister has changed—

Mr. Chairman: I think we have discussed this already in these estimates.

Mr. Laughren: Yes, we have. When we discussed it earlier, the minister implied that since Mr. Reed and I have the report, how can we call it a secret document? As a matter of fact, when we phoned the ministry, the ministry sent us the report. That is how we got it.

Mr. Chairman: We heard that on Monday evening.

Mr. Laughren: You asked me to explain. It has now been changed.

Hon. Mr. Pope: It has not. That is wrong.

Mr. Laughren: It is not wrong.

Hon. Mr. Pope: You do not know what you are talking about.

Mr. Rae: I know.

Hon. Mr. Pope: No, you do not. You do not know what you are talking about.

Mr. Rae: We do know.

Interjections.

Mr. Chairman: Once again, I will remind the committee to direct its remarks through the chair.

Mr. Laughren: Right. Tell the minister that.

Mr. Chairman: I am reminding the committee.

Mr. Laughren: You never remind the minister of anything.

Mr. Chairman: I ask you to try to get on to a subject that has not been discussed in these estimates. We have restricted ourselves, by general agreement, to vote 2601 for this evening only.

Mr. Laughren: Okay. Before I leave that whole question of secrecy, I would not want you to think we were satisfied that there was the kind of openness in the ministry that we think there should be. Are you satisfied with that? Have we made that point?

Mr. Chairman: Yes, you have made that point. I fully understand what you are saying.

Mr. Laughren: You understand; but if we put a motion dealing with it, you would rule it out of order. That is some kind of understanding.

Mr. Chairman: You are trying my patience.

Mr. Laughren: I will move to the whole question of the forest management agreements. When I looked at the forest management agreements, I saw what was happening. I looked at the summary of what was happening under these agreements. If there is one policy that is guiding forestry policy in the province, it is certainly the forest management agreements. I do not think the minister would even disagree with me on that point. That is saying something.

9:40 p.m.

When I look at the numbers under the forest management agreements and at what is happening there in terms of harvesting, tending and reforestation, I wonder whether the minister can be completely satisfied that he is on the right track with these forest management agreements. It is still a policy whereby one can exploit massive acreages or hectares of land. It is still a situation where decisions on reforestation are being made but not in the areas that are most directly affected by the health of forests.

Those decisions are being made totally in either the boardrooms or in the minister's offices when they negotiate the FMAs. There is no sense that the communities involved have any say in their future. It is all done between the minister and the chief executive officer of the forestry companies. I think there is a real sense out there, all across northern Ontario, that it is the old game whereby any decisions that affect their future are not made there.

They have no say in it. All decisions are made by the head offices of the companies. We went through that matter the other day of who owns the companies. It is certainly nobody in northern Ontario, almost without exception—maybe there are no exceptions— who own the forest companies, the pulp and paper companies in this province.

They sit down together with the minister and decide what will be done under the FMAs. Then the minister wonders why the federal government is being so unco-operative in terms of funding. I am sure the federal government sits there and says: "Now let me see, let me look at this FMA. I see. You want us to throw some money into the building of roads. That is what you want us to do." Then the minister wonders why the federal government digs in its heels and says, "No, we want a more direct commitment to silviculture than to the building of roads to extract the wood, to get the wood out."

That is what it comes down to. Yet the minister brooks no criticism of the FMAs. He has absolutely no time at all for anybody who criticizes the FMAs, or anything else dealing with the management of Ontario's forests.

I am going to tell you, Mr. Chairman, you might be impressed by the way in which the minister single-handedly runs his ministry and the management of Ontario's forests, but there is an increasing number of people who are not very impressed. What we were trying to do was have an independent audit. The whole purpose was to have an independent audit.

Mr. Chairman: We put that to bed.

Mr. Laughren: Yes, we did. But I am trying to tie it in here.

Mr. Chairman: I noticed that.

Mr. Laughren: It is legitimate. You cannot let one person run the whole show when it comes to something as important as forestry in the province. The minister is trying to run the whole show himself.

He will have complete control over how numbers are released, over what reports are released and over the language that emanates from his ministry in dealing with the success of the second forest. Everything is in the minister's hands. Nobody is allowed any kind of say in the forests.

Mr. Rae: C. D. Howe, the 1980s version.

Mr. Laughren: That kind of control is really scary. I know the minister thinks he has the ability to control it all. I suppose, if you want to carry on the way you are, you can do it. I suppose anybody who has total control and the power to exercise it can get away with it for some time. But I want to tell you it will catch up with you.

You simply cannot do that. I know you do not believe it. I can tell by the look on your face you think you can control completely and forever the fate of Ontario's forests. But I want to tell you there are too many dissident voices out there. They do not believe you.

Every time a report surfaces that has any kind of independent source, the minister shoots it down in flames and sits on it, does not release it and makes disparaging remarks about the author or authors.

Hon. Mr. Pope: I did not.

Mr. Laughren: Yes, you have. You certainly have.

Mr. Chairman: Order. We are not dealing with those reports. We are not dealing with any reports.

Mr. Laughren: I have often heard your comments about Mr. Hearnden.

Mr. Chairman: Order in court, Mr. Laughren. I would like to hear the answer.

Hon. Mr. Pope: He named the two reports —

Mr. Laughren: That is my whole point.

Mr. Chairman: That is a good question, Mr. Laughren. I would like to hear the answer. Do you want to hear the answer?

Mr. Laughren: As long as I am not yielding the floor, I will have an interim answer, yes.

Hon. Mr. Pope: I guess Mr. Laughren and his leader for some time have been trying to blur the

distinction between the work being done by a lot of competent and dedicated foresters in the ministry to put the reforestation program into place and my responsibilities as a minister to report and account for the activities in the forest resources to the Legislature.

Mr. Wildman: Nobody debates that.

Hon. Mr. Pope: According to you, there should not be a minister at all.

Mr. Rae: All we want is information.

Mr. Chairman: Order, please.

Hon. Mr. Pope: The logical extension is to have staff in question period every day, so you could ask them instead of the minister. There is no such thing as ministerial responsibility. Get the staff in at question period.

Mr. Chairman: Order.

Mr. Wildman: Mr. Chairman, what is the difference between this ministry and every other ministry in government? They have people in estimates.

Hon. Mr. Pope: You are absolutely wrong. You do not know anything about it. You know Mr. McKeough never brought in people and Mr. Davis never brings in people.

Interjections.

Mr. Chairman: Order. We had a question on the floor. I would like to hear the minister's answer without interjections from any other member of the committee, if he would please respond directly to Mr. Laughren.

Hon. Mr. Pope: The dissident voices the member for Nickel Belt is discussing, the dissident voices the NDP caucus were meeting in northern Ontario last year, consisted of 15 of the public and five media people in Timmins, half of whom were my friends who work for Austin Airways, which had a labour dispute. There were three media people and four executives of the paperworkers' union at Iroquois Falls.

Mr. Rae: You certainly do a better job surveying us than you do surveying the forest. No wonder you do not know how many trees there are. You spend all your time covering people.

Mr. Chairman: Gentlemen, please.

Hon. Mr. Pope: I am just reading out the names of some of these dissidents that are all over the north.

Mr. Rae: It is like Napoleonic France. You have your inquiry, your system of informants.

Mr. Chairman: Order. The minister is trying to respond to the question.

Hon. Mr. Pope: Now I know why they call you the clown prince of the NDP. In Hearst nobody from the public was available for your public forum for the media. At Thunder Bay there was an attendance of 20 and at Dryden an attendance of 21. Those are the dissident voices from across the north.

On the other hand, I reiterate what you were told by the union executive in Abitibi. How can you convince the people there is no progress in reforestation when they see tree houses and seedling nurseries all over the province. The leader then said "Leave that to me".

The fact of the matter is that we are doing reforestation on FMA lands and on non-FMA lands. We have increased the number of containerized seedlings that we are planting from 80 million to 150 million. Before the FMAs are signed, we use a process of having the agreements available to the public at open houses for their comments. We produce 20-year and 5-year plans at open houses that we advertise.

The public comes in and looks at that and sees if there are any problems with respect to the cutting prescriptions and the deferments. If they request realignment of roads or closing of access of roads, those matters are discussed in the communities at open houses advertised in the public media. Many hundreds of people will come out to the open houses to look at the FMA agreements, to look at the 20-year and 5-year plans, and to give their comments on them.

There is no secrecy. The FMAs are not signed in the boardrooms of the corporations. They are signed at public ceremonies that the media attend. Everyone knows the kinds of management, harvest and reforestation prescriptions that are contained in the FMA agreements. They see them plotted on maps.

That began in 1981, and we have had open houses on both FMAs and the 20-year and 5-year plans in communities large and small across the province. People have come out and voiced their points of view on the FMAs and their concerns about forest harvesting practices.

Mr. Laughren: You go your own sweet way.

Hon. Mr. Pope: No, we do not. There have been lots of changes.

Mr. Laughren: Like what?

9:50 p.m.

Hon. Mr. Pope: You can say the FMAs are the wrong way to go. We are talking about areas that have already been licensed and have been licensed for decades to the forest products companies.

What we have done, if you carefully examine the FMAs and the 20-year and five-year plans, is taken out some of the areas they traditionally might have harvested before so as to protect other resource values. There has been deferment of cuttings to protect other resource values.

There have been discussions about road routings to protect other values, not only in the communities but also among other interests throughout Ontario. Groups such as the Federation of Ontario Naturalists, the Ontario Federation of Anglers and Hunters and many others have been involved in reviewing FMAs, in reviewing the 20-year plans and in reviewing the five-year plans.

The FMAs on areas already licensed for harvesting for decades are the vehicle we use to lay on top of that a reforestation program that has accelerated from 80 million seedlings to 150 million seedlings. We continue to reforest and continue to treat and to deal with management prescriptions on all the other licensed areas as well.

Mr. Laughren: All your eggs are in the one basket, are they not?

Mr. Chairman: Thank you.

Mr. Laughren: Mr. Chairman, let me tell you something.

Mr. Chairman: Do not tell me anything. I have asked the minister to deal with the questions.

Mr. Rae: Can he tell me what I had for breakfast in Timmins on September 30 when I was there? He seems to have information on everything else. It is unbelievable. It is like a kind of information network.

Mr. Chairman: Is this by way of a supplementary?

Mr. Rae: He has more information about every public or private meeting that has been held with people, but no hard information with respect to survival rates.

Hon. Mr. Pope: I gave it to you.

Mr. Rae: No, you did not.

Mr. Chairman: Order, please.

Hon. Mr. Pope: I did so. We gave that to you in the letter to Mr. Laughren.

Mr. Rae: You did not.

Hon. Mr. Pope: We did so.

Mr. Rae: You did not in any way.

Mr. Chairman: Hey, come on, children. Order, order. Listen, we have a problem here. It must be the company we keep.

Mr. Laughren, you have the floor.

Mr. Laughren: Thank you, Mr. Chairman.

Mr. Chairman: Do you have another question on this vote?

Mr. Laughren: It is tough competition here.

Mr. Chairman: It is for all of us.

Mr. Laughren: Mr. Chairman, I speak only as one member of my caucus on this committee, but I want to tell you something. As an opposition critic, going through the estimates is something that in my 12 years I have looked forward to. It has provided a chance to go into whatever ministry I was critic of in some depth.

But my experience with the Ministry of Natural Resources is probably the most disappointing one I have ever had as an elected member. It is a totally useless exercise for me as an opposition critic and for my party. I happen to think we serve a useful role as an opposition party, whether the minister agrees or not. It has nothing to do with political philosophy, but as an opposition party we have a legitimate role to play.

I see absolutely no sense in having estimates of the Ministry of Natural Resources. They are really useless and will continue to be useless as long as the minister sits up there, stonewalls and answers questions in the most defensive and self-serving way in which I have ever seen any minister behave.

When next year's estimates come around, there has to be a different arrangement. It is probably too late now, but I see absolutely no sense for the opposition to take part in these estimates. They are totally and absolutely useless because of this minister's behaviour.

I do not like to bring it down to that sort of level, that it is this particular person sitting there who is causing the problem, but for three years now this minister has not given one inch on any of our requests. He has never brought people we want before the committee. He has never released reports we know exist and therefore should be tabled before the committee, if not the Legislature as a whole.

I ask you, Mr. Chairman, do you really think the opposition has any obligation to make the process work when we are faced with this kind of behaviour on the part of a minister? I guess that is an unfair question for you, but I want to tell you that what is setting in is a real bitterness and animosity towards this way of running an estimates committee.

I have been around for 12 1/2 years and I have never seen anything like this. If the minister

wants to run his ministry that way, I cannot stop him. I cannot have any say in that. If he wants to run his ministry like an autocrat, fine, let him run his ministry that way. But it is not appropriate that he try to run this committee the same way. This is not his committee. This is a committee of the members of the Legislature in which the opposition has a legitimate role. We are not being given a legitimate role on this committee. It is becoming a joke around here the way we are expected simply to come and listen to the minister espouse his views of the world. There is no brooking any other views at all.

I am going to stop talking because it is just becoming ludicrous the way he runs this committee. He is running the committee, no one else. I am not going to be part of that. Other members of the opposition can deal with this minister if they like—I suppose my leader will have a talk with me—but I no longer can fulfil the role of critic when this minister behaves this way before this committee.

I simply cannot do it. I am demeaned, not as an individual but as an opposition critic. I am totally demeaned by the behaviour of this minister. I see absolutely no justification for it. There is no single reason why I should continue to play this kind of stupid role because it suits the purpose of this minister.

You can do what you want with the minister. Other people can be demeaned by it if they like, but I have absolutely no intention of continuing. It is becoming a real joke, and I am not going to be part of this stupid game any more.

Mr. Chairman: Thank you, Mr. Laughren. The next speaker is Mr. Lane.

Mr. Lane: Seeing that we have wasted the whole evening on political rhetoric and have not talked about the estimates, I really have some concerns about commercial fishing licences, which is a couple of votes down the way, so I will defer to the official opposition. They have waited very patiently to get on tonight. I will take my chance later on.

Mr. Chairman: Thank you, Mr. Lane. Mr. Miller.

Mr. G. I. Miller: The question might be considered policy, could it not, since there has been a major change in the fishing industry and the licensing of the fishing industry, with quotas being established—

Hon. Mr. Pope: It should be noted that the people who just walked out are now laughing in the hallway.

Mr. Wildman: Well, you turned the whole thing into a joke.

Hon. Mr. Pope: Oh, yes? In the estimates, the minister is asked questions. It is his obligation to answer them, as I understand it. If he needs—

Mr. Chairman: Order, please.

Mr. Wildman: No one disputes that.

Hon. Mr. Pope: You wanted to cross-examine my staff. That is what your leadership wants.

Mr. Chairman: Minister, please.

Mr. Wildman: I do not cross-examine the staff of the Ministry of Transportation and Communications, but they appear before the estimates committee and they answer questions.

Hon. Mr. Pope: Your leader said in the House they wanted to cross-examine staff.

Mr. Chairman: Order. Come on, order, please.

Mr. Wildman: For heaven's sake, what a ridiculous position you take. Nobody understands it, not even your own people.

Mr. Chairman: I would like to respond to Mr. Miller's request. I think probably that more rightly falls, as Mr. Lane suggested, under the appropriate vote on fishing. I forget what it is called, but I do not think it really has to do with the general policy of this particular ministry.

Mr. McNeil: You might note that the NDP members have left.

Mr. Chairman: The next speaker is no longer with us. Mr. Rae's name was next, but I notice he left at the same time as the rest of the NDP caucus. Mr. Boudria on the first vote, please.

Mr. Boudria: You can tell me whether I qualify.

Mr. Chairman: Try it.

Mr. Boudria: It will be brief either way. Approximately a year and a half ago, there was a proposal in my constituency to redesignate quite a large area known as the Alfred Bog from a conservation area to an agricultural area. There was an Ontario Municipal Board hearing on the issue and, to my surprise, we did not hear anything from the Ministry of Natural Resources at that particular hearing.

I am not saying the area should have stayed under the bog designation. That is not the point. The issue is more that this is a large water recharge area and no hydrogeological study had been done. My hope was that the ministry would say, "Hold on, guys, we are going to look at the

hydrogeology of this," and then decide whether or not to do it.

That step of even asking for that was not undertaken. As a matter of policy, does the ministry usually involve itself in things like this? If the answer is that you generally do, could you perhaps indicate why it was not deemed to be necessary?

10 p.m.

Mr. Chairman: Mr. Boudria, we had a question similar to that a little earlier this evening, perhaps before you came in.

Would the minister like to respond briefly to this? It is relating to the same type of subject.

Hon. Mr. Pope: It is an important policy question, and different ministries of the government have been trying to wrestle with it in different ways.

The options you have are to stay out of it entirely; to become an intervener or a party to the Ontario Municipal Board process and have representation there—some ministries do that, and I am thinking particularly of the Ministry of Agriculture and Food—or to provide information to all the parties with respect to the analysis that has been done by the employees and experts of the Ministry of Natural Resources.

My understanding of the Alfred Bog situation was that reports were prepared that detailed the biological significance of the Alfred Bog. These were given to both sides, and our staff was available, if called upon to testify by the parties, to give that information subject to cross-examination.

We did not formally intervene in the process, but we told both sides of the issue that our staff would be made available to them if they wanted to call them and that we would give information to the OMB consistent with the information we had gathered from the field staff.

That has been the way we have been trying to deal with the issue, because there is not only the agricultural use of bog lands but there are also potential OMB appeals with respect to developing aggregates, versus preservation of farm land or residential areas, where the proponent might be an aggregate or sand and gravel company and the opposition might be a couple of neighbours. We would be called upon to give evidence with respect to water tables and what specific conditions might be available for the OMB to consider for inclusion in the licence.

We might have a Drainage Act problem that ends up before a tribunal. Our staff might be caught between the Ontario Federation of Anglers and Hunters and the local federation of

agriculture. They might be asked to give information on a noncontentious basis without being a party to the proceedings so that the tribunal would have the benefit of neutral scientific evidence to assess.

We have been wrestling with it, quite frankly, over the past two and a half years. I am not sure that we necessarily have the right approach. Other ministries do not follow that approach; some intervene and some do not get involved at all. We thought we would try a process of having that objective information available.

Mr. Boudria: The problem I see with it is that you are not on an equal footing with other ministries who do it the other way. For instance, if the Ministry of Agriculture and Food, which was the direct intervener in this case, had used the same policy you did, the OMB chairman could have assessed both sets of information and called upon the one he wished to have.

However, when one of them acts as an intervener and the other only as a source of information, which I understand is the policy you have now, they are not on an equal footing. The information you may have may be deemed that way, or may be interpreted in a less meaningful way than the one that makes the more valuable contribution.

If I could offer a personal suggestion, it is that whatever is done should be consistent with those other intervening ministries. I am not sure that either should intervene, but it should be similar; perhaps it should be cabinet policy or something that they are both treated the same way.

Hon. Mr. Pope: I agree with you.

Mr. Boudria: I have one further question, Mr. Chairman, and then I will not bother you any more.

Mr. Chairman: It is no bother at all.

Mr. Boudria: Has there been any major policy decision by your ministry—this may sound like a rather simple question, but it is a very complex problem in eastern Ontario—in regard to what you are going to do with our dear old national symbol, which is blocking every municipal drain in my riding?

I am talking about the beaver problem, which has caused flooding in some of our forested areas. I am talking about the fact that we have plugged-up municipal tile drain systems. Farmers go in and blow up a dam at this time of the night. When they go back the next morning, it is just like they had never been there at all. You could not tell that somebody had been actually there. It is unbelievable the way they do it.

In the fall, one can manage to get rid of some, because the trappers have an incentive; there is a value in the fur. At this time of the year, we have the same problem. Your local officials have been very co-operative, as they always are, but they admit it is pretty hard to get a trapper in at this time of year. He is not going to do much with the fur. It is not exactly good-looking at this time of the year. It is pretty spotty, and there are all those other things that are wrong with the fur being caught in the spring or in the summer. Nevertheless, the beaver problem is still there.

I know there is almost a symbolic decision that has to be made here. I could hardly imagine that, for instance, a bounty would be placed on beaver. All those patriotic folks would be after us.

On the other hand, if you are a farmer in my riding, or probably in many other areas of eastern Ontario, all the natural enemies of the beaver are no longer there. I am afraid those animals—as symbolic as they may be to the majority of Canadians—have developed into nothing more than pesky critters in our area, just as much as the groundhogs or any other animals. They ravage some very valuable forested areas, valuable farm land and other resources that we have.

It is a very unfortunate thing. I do not claim to have the answer. I am only bringing the subject up in the hope that you and your officials will look for an answer to this.

Hon. Mr. Pope: It is not just your area. I think the member for Grey (Mr. McKessock) raised this in respect to his area about a year and a half ago. I recall the discussion. Mr. Laughren took the opposite point of view, just as you predicted, with respect to the national symbol.

Mr. Boudria: I did not say it was easy.

Hon. Mr. Pope: We are aware that in some parts of the province—in the Huron-Grey-Bruce area, in Grenville to some degree and, although I do not know to what degree, in Prescott-Russell—there is a problem. We have been trying to accelerate the trapping program, to get the trappers out to do a quicker job of trapping the beaver.

In some places, we are falling behind. We are trying to handle that by increasing the quotas and requiring the catching of the quota by those who want the registered trapline in their name. We are also working with the counties to get a solution to the problem of trapping on private lands. We have been developing that in eastern Ontario for the last few years, in conjunction with the county councils. We think it is starting to work. We did have some problems in Haliburton county, where

the county council felt it was not yet ready to get into the trapping program on private lands.

I will explain the choice very briefly, Mr. Chairman. The choice is whether we will allocate registered traplines over both public and private lands, and set quotas for the trappers that they must make an effort to meet, or whether we should leave it to the private land owner to make his own arrangements with whichever trapper he may wish to deal with to clear up the problem.

We have been trying to go the way of getting the total land mass, whether it be private or public land, allocated to registered trappers. We want to get the quota system set, so they would be able to enter upon private lands to perform the work that we think is required because of the complaints.

In your area, that caused some concern for municipalities, as well as for the county, which wanted to leave the land owners free to select from among their own trappers as opposed to us assigning the traplines.

10:10 p.m.

Mr. Eakins: Mr. Chairman, I think most of the areas are designated to certain trappers, who have areas assigned to them. I think in most cases it works out very well. The odd complaint comes in, of course, that the person is not trapping the quota he is supposed to take, but in general they look after the areas assigned to them. I do not think there is a big problem.

In Haliburton, I know, there was some beaver dam problem, and through your manager at Minden, it was resolved very well.

Hon. Mr. Pope: I hear you saying it is not under control as well in Prescott-Russell as it is elsewhere.

Mr. Boudria: It is not working at all in our area. I suppose there is a hydrogeological situation in our area, caused by those bogs. There is the Alfred Bog, la Mer Bleue in the east end of Ottawa, and the Moose Creek Bog. Those large areas of water are probably very good places for beavers to be, places they like a lot obviously because they are always around it. They usually start in those areas and then move out towards municipal drains and so forth.

There is one last question I would like to get on the record because it has been raised many times in my riding. Many people have asked for the following information. Has the government of Ontario, through any ministry, ever decided to repopulate eastern Ontario with beavers? Were any of them ever let go in our area? Some farmers say that a number of years ago the government came in and let go a bunch of beaver. Did that

actually ever happen? I am curious to find that out.

Hon. Mr. Pope: I had heard that about a year ago. All I can tell you is that I asked Mr. Roseborough, our wildlife director, and he could not find any information on the record to say that had occurred. I had heard it from a couple of people, I think in St. Albert, about a year and a half ago.

Mr. Boudria: I would not be surprised, because it is a common belief in our area that this actually happened. I have learned from speaking to one of your local officials that he personally remembers a few decades ago that a certain doctor in the area brought in two from some place as a personal pet project and let them go. Of course, you had nothing to do with that.

Apart from those two beavers, which were apparently let go in the area of Bourget, if you ever find out more about that I would appreciate hearing something that could confirm or deny that, so I could tell my constituents that it never took place, or that they let six go 25 years ago, or whatever the answer is.

Hon. Mr. Pope: The general policy direction of the ministry is militating more and more against the keeping of wildlife in captivity, both imported and domestic species. If that had happened some years ago, it would be increasingly unlikely that we would allow it to happen now because of all these kinds of consequences.

Mr. Boudria: You may never have had anything to do with it. Maybe somebody just decided to bring them in. In a rural area, if they did not tell you about it, there would not be much you could do about it.

Mr. Lane: Mr. Chairman, now that we are talking about beaver problems, apart from what the member has said regarding drainage and so forth, the flooding of woodland that is unnatural to water is killing an awful lot of trees. There are acres and acres up in the north country that are killed because of beaver flooding.

Vote 2601 agreed to.

Mr. Chairman: I think we have to adjourn. We cannot sit when the House is not sitting unless we have the unanimous consent of the committee. Do you wish to carry on, rather than prolong these estimates?

Mr. McNeil: I move we sit here till midnight.

Mr. Chairman: Let us not get carried away.

Mr. McNeil: We can probably get some work done.

Mr. G. I. Miller: I might object a little bit, but Ronnie has had a bit of a rest.

Hon. Mr. Pope: Do you guys want to keep going for a while?

Mr. G. I. Miller: We might as well.

Mr. Chairman: Shall we keep going till 10:30? All right.

On vote 2602, lands and waters program:

Mr. G. I. Miller: Can we deal with fishing next?

Mr. Chairman: It really is in vote 2603.

Mr. G. I. Miller: Which one are we on?

Mr. Chairman: We are on vote 2602, the lands and waters program. Commercial fishing falls under the—

Mr. G. I. Miller: Okay. I have one question in regard to water, on the regulation of the water in the Great Lakes.

We have a group that has been quite concerned about erosion problems. That group came in just this past week. They may be cottage owners, but they live there on a year-round basis, and they have been there for some time. They feel that the water, particularly in Lake Erie, is up two feet at present. I think the member for Chatham-Kent (Mr. Watson) gave some indication of high water on the lake a little while ago.

I believe you are controlling the water levels on the Great Lakes now. Is the minister aware of that? Does he want to make any comments? Can they be controlled?

I have a report here which says Ontario Hydro diverted the water, going back to 1950, I believe it was. It diverted the Ogoki River at Lake Nipissing, I believe; they can control it by a dam. The water level of Lake Ontario can be controlled by the amount that is let in versus the amount that is let out.

I suspect that the whole system is controlled and that they can maintain Lake Ontario at, I believe, 245 feet. If it gets above that, it can do a lot of damage. They try to maintain it at a level between 243 and 245 feet. Is there any way they can control Lake Erie on the same basis? Do you want to make a comment?

Hon. Mr. Pope: Yes, within some limits, there is some flexibility in level manipulation. I understand from the engineers that there are some defined limits. There is a control authority that monitors performance at each of the structures along the whole system; and it goes not only into the Great Lakes but up to the Ogoki diversion areas as well.

As you are aware, some of the Arctic watershed rivers were diverted into the Great Lakes system many years ago. All those structures are under international control. The Intern-

ational Joint Commission monitors it, but it is the St. Lawrence Seaway Authority that actually monitors operations.

The structures themselves are owned by a variety of sources, so all the information and management policies in each structure have to be pooled, monitored and policed. For instance, there is Ontario Hydro at Niagara Falls, and there are some New York state structures farther along the St. Lawrence.

Flexibility is limited by the rate of inflows and the maximum capacity of outflow down the St. Lawrence. Your flexibility may not be the two feet you have in mind; it may be six inches, or two inches, depending on the time of year, the level of the runoff and what the water levels are farther up the system. You are restricted to some extent.

My feeling is that it is a temporary problem. The International Joint Commission has predicted that by the year 2035, with consumptive usage just within the Great Lakes water basin, we are going to have a lowering of the Great Lakes water levels, specifically of Lake Huron, Lake Erie and Lake Ontario. There are some consequences in that as well that we have to examine together.

Then there is the question of diversions outside the basin. There are at least seven different specific proposals for diversions we have to be concerned about because they could have an even greater impact.

10:20 p.m.

I guess our position as a government is that, yes, within a certain small, narrow range of limits, one can control water levels. However, we do not have a policy to allow a wide range of water level manipulation because it might jeopardize our case in the future.

There will certainly be a lowering of the Great Lakes water levels because of consumption from the American side and from the Ontario side of the Great Lakes. We want to maintain our position of not allowing too much of a change in the water level.

Mr. G. I. Miller: I would like to read just one portion of this statement. It is the White Arrow, Lake Ontario issue, page 1. I am not sure what the title would be, perhaps VFF—Volunteer Flood Fighting—Corps.

In the last issue it indicates that in Lake Ontario we had a 42,000 cubic feet per second weekly average inflow and an outflow which caused the level to go up one foot in four weeks. They are speaking about Lake Ontario. In this issue they had a 44,500 cf/s weekly average

outflow over inflow and the level dropped 9.4 inches.

Hon. Mr. Pope: What year was that?

Mr. G. I. Miller: This is in July and August of 1983. It appears, by these figures, that it can be controlled fairly closely and fairly quickly. I do not know if Lake Erie can be. I think there is a control at Sault Ste. Marie, if I am not mistaken, plus the one at Waboose Falls on the Ogoki River. I wondered if the minister was aware of that and would take a look at it.

Hon. Mr. Pope: I can tell you that level manipulation is generally monitored through this international body.

Mr. G. I. Miller: The International Joint Commission, I understand that.

Hon. Mr. Pope: We have been trying to put forward our point of view on the level controls in a more aggressive fashion through the federal government and also with their support to the international body.

Mr. G. I. Miller: I think this same group threatened to sue over Lake Ontario levels. Consequently, the IJC seem to be monitoring it more closely.

Lake Erie is a different situation. There were funds available—was it through the Ministry of Intergovernmental Affairs?—for shoreline protection, but that has pretty well dried up, and there have been no funds to speak of in recent years. Again, perhaps they could maintain a water level to within a couple of feet.

I recognize why they are doing it. We have shipping coming into Nanticoke now, and probably as much tonnage as any place in Ontario. Those coal boats can come in and go directly—they have to follow the channel, but they can apparently hit areas they could not pass when the water goes down somewhat.

It does assist the shipping, but the erosion problem is affecting a lot of home and property owners along the lake, for whom there should perhaps be some compensation.

Hon. Mr. Pope: I do not think the issue of compensation for water level manipulation has been considered by the international body controlling levels. Even for water levels in the Victoria-Haliburton and Muskoka regions, we do not consider compensation for the standard manipulation of waters based on old practices and old understandings which were in place when the original structures were built and the money spent on them.

If there is something abnormal, and if flooding results, I think that is a different case. There are

some mechanisms for flood relief, but I understand the point you are making.

Mr. G. I. Miller: I think this was abnormal and I would appreciate it if you could take a look at it and report back.

Hon. Mr. Pope: Okay.

Mr. Chairman: Are there any further questions at the present time?

Mr. McGuigan: I have one small question and it is somewhat related to water. It is regarding a specific case of a chap near Lambeth, Ontario. As a hobby, he established a block of hardwood forest, 30 or 40 acres, something of that nature. He tells me the hardwood does not benefit from land drainage, that is, installing tiles and so on; it is better off without it. Yet because there is farm land around him, and he is part of the watershed, he has been assessed for fairly high taxes to pay for this drainage system.

Do you have any policy of relief for these people? You can show figures that over the long term you can harvest an economic return from an acre of ground fairly well cropped. It takes 30, 40 or 50 years to grow these things and if you add to that the capitalized cost of drainage, this particularly affects the profitability. Certainly, we need those forest areas in southwestern Ontario. Have you any policy to deal with that situation? I know it is not a common thing; it is probably unique.

Hon. Mr. Pope: The short answer is there is no policy to deal with that. The Drainage Act system often leads to disputes between property owners who might be impacted by the drainage proposal. There are often objections to the drainage proposals that are proceeded with by different property owners along the river course.

I remember in Mariposa township there were two separate sets of farmers, one in favour of the improvements to the Mariposa drain and another group of farmers opposed to it. The council decided to proceed with it and had the engineering reports done. Of course, once the engineering report is finalized, there is an automatic assessment of payment against the property owners. That often leads to conflict as well.

The simple and short answer is that in my ministry there is definitely no policy to compensate or to cover payments. I do not believe there is one in the Ministry of Agriculture and Food under the Drainage Act either.

Mr. McGuigan: I think it is something that perhaps should be under the Drainage Act.

Hon. Mr. Pope: Yes.

Mr. McGuigan: I imagine the people who framed the Drainage Act would never have thought of that sort of situation. It might be an assumption that every acre of land would be drained. They are now starting to realize that universal drainage is not a particularly good goal to pursue.

I am not saying drainage is a bad thing, but universal drainage of our watersheds is not necessarily a good thing. I am just going back to the wetlands you were talking about. As far as you are concerned, you have no system of relief for that particular individual?

Hon. Mr. Pope: No, at this time we do not.

Mr. G. I. Miller: When do we sit again, Mr. Chairman?

Mr. Chairman: We sit Tuesday evening at eight o'clock. We will be back on vote 2602, which includes such important items as conservation authorities.

Mr. G. I. Miller: First of all?

Mr. Chairman: Yes, first of all.

Mr. McNeil: How many more hours?

Mr. Chairman: We have six hours and eight minutes left.

Mr. McNeil: Could you find out if the New Democratic Party is planning on attending?

Mr. Chairman: My indication when they left here was that we will not see them again for these estimates. I do not know whether that is correct or not.

Mr. McNeil: I was just going to say it might speed it up.

Mr. Chairman: We may well get away with five hours or so.

Mr. McGuigan: If that is not the case, can we start out with some understanding of hours and time? Apparently they are desperate in the north and bring their leader in to get a lot of stuff on the record. The rest of us would like to proceed with these estimates.

Mr. Chairman: We have six hours and eight minutes left and we have to deal with the balance of the votes, other than the administration. There are five votes in all. We still have lands and waters, outdoor recreation, resource products and resource experience.

I would say the next two items are probably the most contentious. Lands and waters, the one we are on right now, and outdoor recreation are the ones in which there is the most interest throughout the province. We should probably spend most of our time on that, at least all of the next sitting. If you want to discuss the allocation of the balance of the six hours and eight minutes right at the beginning of the next session, I quite agree. That is probably an appropriate thing to do.

Mr. McGuigan: I think we should do something to get away from the rambling.

Mr. Chairman: Yes. We can stick strictly to the votes.

The committee adjourned at 10:32 p.m.

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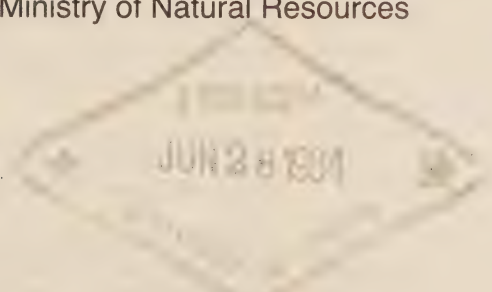
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Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Fourth Session, 32nd Parliament
Tuesday, June 5, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 5, 1984

The committee met at 8:08 p.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: Thank you for your patience. I now see a quorum.

Mr. J. A. Reed: Mr. Chairman, on a point of order: Before we proceed with tonight's proceedings, I have in front of me a communiqué from the third party, dated June 5, and I should like to read a portion of it into the record. It revolves around our objection to the minister's attitude towards bringing senior civil servants into these estimates, as all the other ministers do.

The New Democratic Party objected too and went on to say, "We, as a caucus, will not be participating further in the estimates of the Ministry of Natural Resources." In other words, they have undertaken to boycott these estimates.

I want to put my party on record as saying we feel that boycotting in a situation such as this is not appropriate. As much as we object and as much as we oppose, as is our job, if we are not here to oppose, we cannot do it.

8:10 p.m.

Mr. Chairman: Thank you very much, Mr. Reed. I certainly think you have total concurrence from the entire committee on that—those of us who are here.

Before we entertain votes on this, I would like to suggest to the committee that we have six hours and eight minutes to deal with the estimates of the Ministry of Natural Resources. We can do that by extending the sitting perhaps one hour tomorrow, if the committee would see fit to do so, and then entertaining—beginning right off the bat on Thursday evening of this week—the Ministry of Municipal Affairs and Housing.

Otherwise, we might have to bring Mr. Pope back and have Mr. Bennett come in, both of them part-time, on Thursday night, which perhaps is not in the best interests of anyone's time.

My suggestion would be that we extend the time tomorrow by an hour, and then we will have the total 18 hours in for the Ministry of Natural Resources estimates. Do you have any comments or suggestions on that?

Mr. Watson: Mr. Chairman, I would think that if one of the parties is not participating, some of the time they would be allotted for questions could be deleted. We could probably operate on normal hours and still complete.

Mr. Mancini: Mr. Chairman, there is no guarantee that they would use their own time anyway. There is no guarantee that anyone is going to use a set amount of time, depending on how active they want to be.

Mr. J. A. Reed: Mr. Chairman, I think we are agreeable to extending the hour tomorrow; we can at least begin there. I do not have any way of knowing in what manner my colleagues want to contribute to the balance of the estimates time remaining, but I should point out to the members of the committee that just because we have 18 hours allocated does not mean we have to fill the 18 hours. If we have finished at the end of 16, we are finished; if we have finished at the end of 17, we are finished.

I realize that, historically, as we have gone on in these debates, we have tended to cram the votes even up to the last few minutes of the estimates. The party that has chosen not to come to these estimates tends to be a little more long-winded than the official opposition, if you look at Hansard. I am not sure that they say much more.

Mr. Lane: Those are the people we are talking about.

Mr. J. A. Reed: I would respectfully suggest to the chairman that we simply continue and look towards the 18 hours. If we have expressed all that we are going to express, and we still have two hours left to go, we can always say, "Well, let's wrap it up."

Mr. Chairman: My personal problem—and I guess I could adjust it if I had to—would be that I would rather start earlier than 10 a.m. tomorrow, than finish an hour later than 12:30 p.m.

Mr. J. A. Reed: Rather than go the extra hour?

Mr. Chairman: At the tail end.

Mr. J. A. Reed: Start at 9 a.m. rather than 10 a.m.?

Mr. Chairman: At 9 a.m. rather than 10 a.m., and finish at 12:30 p.m. or whatever. That

is only a personal opinion, and I care to hear your comments.

Mr. J. A. Reed: I should also put on record that we have enough voting power here in the opposition to reduce the minister's salary.

Mr. Lane: They are not all voting members. Interjections.

Mr. Villeneuve: That party sits on the left side of the House.

Mr. J. A. Reed: Foiled again.

Mr. Chairman: We shall plan on starting at 9 a.m. tomorrow, if that is agreeable with the committee members.

On vote 2602, lands and waters program; item 1, conservation authorities and water management activity:

Mr. Watson: Mr. Chairman, going again to where I left off at the beginning—and I suggested that we should stick to certain votes—we are into conservation authorities.

Two authorities are of particular concern to me, and I would like an update from the minister on the St. Clair Region Conservation Authority—in particular, the Darcy McKeough Floodway Project. Are the problems associated with that project now settled?

It is not nice to have a flood, and no one likes to have a flood, but certainly it is a recognized fact in Wallaceburg in the north part of Kent county that this particular project paid off in no uncertain terms this year. If it had not been in place, certainly the town of Wallaceburg would have sustained literally millions of dollars in damage, but we were able to cut off something like 40 per cent of the water coming down.

Are the settlements of the land and so forth complete, and would you report on the McKeough dam situation?

Hon. Mr. Pope: I can report that the dam works. We had flooding this spring and I think the consensus from the town of Wallaceburg was that in one year with one significant spring flood the diversion and the structure proved their worth and resulted in a considerable saving in flood damage in the area it was designed to help.

Virtually all of the land acquisition issues have been settled. I understand there are a few disputes with respect to dollar values, but it is my understanding that those are being worked out and that there certainly is not any confrontation over it. We had a combination of fee simple offers to purchase and flood easement offers to purchase. The valuation system for flood easements initially was in dispute; we have managed to work that out using a variety of appraisers.

The only outstanding issue I am hearing about is with respect to some upgrading work on some of the roads.

Mr. Watson: And the protection of one or two cemeteries?

Hon. Mr. Pope: Yes. There is a cemetery in Wilkesport, as I recall. Sombra township approached me about it about six weeks ago, and we have indicated that we will do whatever is necessary to protect the cemetery. All we need from the township is a detailed, specific proposal on what it wants done to protect it and we will go ahead and do it this year.

It has also indicated it has some problems with some roads. If it can establish that the threat to roads and bridges relates to the operation of the McKeough dam, we have indicated we will look at it in subsequent years, but we want more information than Sombra has provided to us. There have been ongoing discussions, and I think they are being worked out. I do not think there is much left to be settled over the McKeough dam.

As I say, we are very happy that we were able to get it working. I think the official opening of the McKeough dam is in two and a half weeks, as I recall.

Mr. Watson: It is on June 29.

Hon. Mr. Pope: June 29.

Mr. Mancini: Is that another bicentennial project?

Hon. Mr. Pope: Almost. It has been going on almost that long. It has been going on for a few years, let us put it that way.

Mr. Watson: As I say, no one likes a flood, but certainly there were people up there who had said water would never go down that diversion channel, and this year when 10 feet of water was going down that diversion channel, those people became strangely quiet.

On behalf of the people of Wallaceburg, whom I represent, I would say it was just in the nick of time. I think the project was completed enough that the gates could be dropped. One was done manually with a gasoline motor, and for the other one I think they had a generator there so they used an electric drive to lower it.

Mr. J. A. Reed: That is not even manual. I will show you manual. Come out to my house.

8:20 p.m.

Mr. Watson: I visited the site with the mayor of Wallaceburg and, given the size of those gates, I do not think you and two or three other people could lift them; you would have to use a winch on them, anyway.

The other concern—and I raised this last year with the prospect of the McKeough dam being completed and the expenses that have gone into that—is now turning your attention in southwestern Ontario to the problems of flooding in south Chatham as they relate to McGregor Creek and Indian Creek and the fact that you have decided on an environmental assessment study.

I am getting some flak that it is another delaying tactic; that it has been studied to death. People are asking, “Why do we not go ahead and do it?” Is the environmental assessment going ahead and when may we expect hearings and some action?

Hon. Mr. Pope: First of all, there is a conflict between municipalities, particularly in one township.

Mr. Watson: Tell me about it.

Hon. Mr. Pope: One township dissents. Their point of view on what should happen in Indian Creek and McGregor Creek is in opposition to the city of Chatham. I have had a couple of meetings with the municipal authorities and we split the project into contentious and noncontentious issues.

There was general agreement that some of the elements of the program could proceed. We announced that funding would go ahead and that had to do with the cleanout and removal of the constriction at the mouth of the creek.

Mr. Watson: If I can interrupt, there is a little difference of interpretation between what they mean by cleanout in Timmins and what they mean by cleanout in Chatham. We should have that on that record. You think the cleanout is simply brushing and our people mean that they straighten out channels and so forth when they clean out the drain.

Hon. Mr. Pope: Yes, there does seem to be that difference of interpretation. I guess the only thing I can say is that I do not consider cleanout to mean altering the course of the body of water.

Mr. McGuigan: We should be thinking of a cleanout and cleanup.

Mr. G. I. Miller: Is it navigable water?

Hon. Mr. Pope: We are ready at any time to provide the information and have provided information to the Minister of the Environment (Mr. Brandt). The parties have had access to our information. Conservation authorities laid out all their information. I am not aware of what would be delaying the hearing process within the Ministry of the Environment.

One of the things we indicated to the municipalities last year was that we would try to

have the Ministry of the Environment expedite the process. Specifically, we would ask the minister to have the hearing in the spring, which we did.

Mr. Watson: But the hearing has not been held, nor has it been scheduled.

Hon. Mr. Pope: All I can tell you is we made the request to the Ministry of the Environment that they have an expeditious hearing.

Mr. Watson: Will you ask the Ministry of the Environment again, because I have asked them? Not everybody was happy with the solution, but on the other hand an environmental assessment will get it out of the political realm, if I can put it that way, into a technical realm where the people can bring their engineers and put their facts and figures on the table and decide what is best for the area and the effect it is going to have.

As far as I am concerned, the sooner that proceeds the better, and I know the city of Chatham feels that. We think you have an interest and should be proceeding as soon as possible.

Hon. Mr. Pope: I will contact the Ministry of the Environment again.

Mr. McGuigan: On that subject, because it is in my riding, I would be very happy if we did not have any of these conflicts, but any thinking person has to realize that people who are downstream of a dam naturally are a little nervous about it. Every year throughout the world a number of dams collapse. One would hope that today with our modern engineering that would not happen, but to be fair about it, you have to recognize that the people on the lower side do have a concern.

The environmental hearing solution is the right way to go, and I would like to see it as soon as possible.

Mr. Mancini: I have some questions for the minister concerning water management. The minister I am sure will recall the many letters I have written to him concerning the potential flooding problem that still exists in the township of Mersea.

I refer to the Marenteete dike which protects some low-lying lands, some very good farm land in Mersea township. I have written letters to both the minister and the Minister of Agriculture and Food (Mr. Timbrell). Between the two of you, you have me going back and forth on a regular basis. He thinks it is in your jurisdiction, and you think it is in his jurisdiction. I think you both have some say in how ultimately this land will be protected.

We have now received from the federal government some significant assistance in the neighbourhood of \$800,000. The last letter from Mr. Timbrell says: "I am glad to hear we have solved the problem. You have just got \$800,000 from the federal government." I was interested to see how he included himself in "we have solved the problem." That notwithstanding, the problem is not solved and there is still not enough money in the kitty to do the work that is required.

I want to make sure the minister understands the background of this so we can discuss it in a reasonable way. I want to inform the minister that it was through information from the Essex Region Conservation Authority, working in conjunction with the local farmers and residents of the Marenteete Beach area, who made the issue very public. My wife would tell me on a daily basis while I was here at Queen's Park how the issue was moving along. It appeared at one time we might have flooding and possible loss of life, and for sure loss of farm land for at least one or two farming seasons.

Because the issue became so alarming, I convened a meeting with the conservation authority, the local municipalities, the farmers, the federal member and the representative from the Marenteete Beach Association. We were told again at that meeting by the conservation authority—people who have knowledge in these things—that there is a definite possibility of a major flood taking place, depending on the type of bad weather we may or may not get and depending on how severe the waves on Lake Erie become. There is a breach in that dike and if it breaches further or gets worse, we are going to have several hundred acres of land flooded.

You and the conservation authorities have jurisdiction over shoreline protection. Even though you have written many nice letters to me, and I appreciate receiving them, to this day you have not explained to me why you are able to abdicate your responsibility and not provide some assistance to maintain that dike in such a way that the shoreline and the farm land would be properly protected.

8:30 p.m.

I have not spoken to the reeve of Mersea township recently, but the last time I spoke to him he told me that what was necessary was a split of 90 per cent-10 per cent, and that the farmers in the area could handle 10 per cent. One of the reasons they could not handle any more was they are already paying into other expensive drainage schemes. There was no more money to be had from the farmers. I do not think we need a

lot of money from you, and I may say that possibly some of the money should come from the Ministry of Agriculture and Food.

But the responsibility of shoreline protection is yours. Your conservation authority has been duly involved and they have informed us of all the problems that exist and the problems which may occur.

To be honest with you, I am somewhat disappointed that we have been going through this waltz for three or four months anyway, and we really have not got anywhere. I have talked to your senior staff—Mr. Bugar, I believe, and others—but they do not have the authority to put that kind of money into a project.

I was wondering exactly what you were going to do. Are we going to wait until the farm land is flooded, and are you then going to help us? Or are we going to solve the problem that is there now?

You could write a cheque now. That would be fine.

Hon. Mr. Pope: First of all, there is no such thing as a 90-10 split, so you can forget about that. Even in emergency situations, the most you get is 85-15.

Mr. Mancini: Well, then, let us talk 85-15.

Hon. Mr. Pope: I also respectfully disagree that I am responsible for shoreline erosion in the Great Lakes system.

Mr. Mancini: Then who is responsible for shoreline protection?

Hon. Mr. Pope: Quite frankly, there is no clear acceptance of responsibility on this issue, either at the federal level or at the provincial level.

Mr. Mancini: The federal government has filled some of that void.

Mr. Watson: How much has the province filled?

Mr. Mancini: Are you going to question me, or am I going to question the minister?

Mr. Watson: I would just like you to tell the whole story, because I have one that is similar and I want the same deal. We would be glad to have the same deal you have, and you are going to get more.

Hon. Mr. Pope: This goes back to a discussion Mr. Miller and I had—was it last year?—in the estimates. I could do erosion projects along the entire shoreline of the Great Lakes, according to demands from the members there on local erosion problems. At one time, there was a feeling that not only should I be involved in erosion control projects but I should

fund the conservation authority's mapping of any area that might be susceptible to erosion, and have it included as a hazard land designation in official plans.

I guess I have to reiterate what I said last year to Mr. Miller. At this time, there is no commitment by the conservation authorities and water management branch, by the Ministry of Natural Resources or the government to do the kinds of massive erosion control projects along the shores of the Great Lakes that almost every member who has a riding there would like us to do. I do not have the money and we have some problems in Sturgeon Falls, in Field, in Port Hope, and on the Kaministiquia River in Thunder Bay, with regular flooding that we have to try and take care of.

We do from time to time, in emergency situations, try to make money available, including in areas along the shores of the Great Lakes. If there is a real emergency, and people's homes and safety are at risk, then we try to move in on an emergency basis and help out. But we do not have an overall program to control erosion along the shoreline of the Great Lakes.

Mr. Mancini: Why would this not qualify as an emergency?

Hon. Mr. Pope: I can tell you. Because if it did, I would have spent millions of dollars on the Scarborough Bluffs in the past few years, because there you have homes that are now within 30 yards of the bluffs which before were half a mile away. They have some serious erosion problems, particularly along the ravines, and I guess all I can tell you is that the assessment of whether or not the situation is an emergency resides with the regional staff in the conservation authorities branch, and on a yearly basis—

Mr. Mancini: Your staff are not here. I cannot ask them any questions.

Hon. Mr. Pope: I am giving you the answer. On a yearly basis, they give a list of projects they think have priority, based on the number of people at risk, the value of the property at risk and whether it falls within the mandate of the conservation authorities. Then they make an assessment of priorities. Some things are funded and some are not. The limit of funding is based on the amount of money available in the budget.

All I can tell you is, with respect to your area, the work that was done last year to rate the priorities does not include funding of that project.

Mr. Mancini: No, we did not ask last year. We asked within the last few months.

Hon. Mr. Pope: There is no way we will have money available until, at the very earliest, next year. The regional staff would have to assess your request during the current year for funding next year. I can give you the list of projects funded and not funded this year for each of the program areas of the conservation authorities branch. Some very substantial problems have to be addressed.

We have Paisley Creek in the Saugeen, the Augusta channel study and the Plantagenet dike study in South Nation, under surveys and studies that have to be done. We have all sorts of capital projects and flood control that were not done, including some in my own riding, the Porcupine flood plain and the Mattagami Region Conservation Authority, which got nothing this year.

Mr. Mancini: Is there farm land in your riding that is in jeopardy?

Hon. Mr. Pope: There is some good farm land and there are also some homes around the Porcupine River system. It did not rate on a priority through the region, so it was not funded. It is a \$417,000 item. It just fell off the list, because the other priorities, including the Indian and McGregor creeks at \$160,000, were deemed in analysing, within the regions and within the province as a whole, to have a higher priority because of the numbers of people and property values involved.

Mr. Mancini: I am sorry, but I cannot accept your answer to that.

Mr. Havrot: Too bad.

Mr. Mancini: No, I cannot accept the minister's answer. Certainly the federal government would not have put in \$800,000, or whatever was the exact amount it put in, if there was not an emergency situation in existence. The one-third grant that comes from the drainage program is going to be put in place. Just to sit here and tell me it is not on a priority list and your staff has not given you a list so this cannot be funded is an unacceptable answer to me.

I brought this to the attention of your staff as an emergency situation, and long before today they should have had on your desk a detailed analysis of that situation and information about whether in their view it should be funded, not that they are going to do a review next year. We might have several hundred acres of land flooded next year. An analysis next year is not going to help anybody.

I will leave this with the minister. I am going to report back to the municipality, as I was asked to do. The reeve and other representatives of the

municipality may want to visit and discuss the project with you. I know in the past you have been very courteous and have allowed meetings to take place on short notice. I hope if a meeting is ultimately necessary we could arrange one and the reeve could speak to you personally.

I also hope the Essex Region Conservation Authority will have information available today that could be passed on to your staff to assist them. I do not know why, but somewhere down the line the system seems to have broken down if the Marenteete dike matter is not in your review of the projects.

8:40 p.m.

Hon. Mr. Pope: I have seen notes. Since your letter to me, I have seen reports from the staff. We have given capital approval for projects. We gave it last February and March and those projects are now under way.

At this point in the year I do not have any money available. I am not saying that at another point in the year, as things normally develop, we will not have more flexibility; we could look at it then.

When the problem of the Kaministiquia River at Thunder Bay was brought to our attention in the spring of the year, there were six homes that were at risk and it was a year and a half before we could get to it, because we had the Port Hope situation and the Field and Sturgeon River problems to look after. It is a difficult task to try and assess priorities when everyone knows that some situations need attention. We have to try to plough through the list and depend on some constant rating system so that people can feel their needs are addressed in comparison to others on a system they can predict. That is what we are trying to keep going.

Mr. Mancini: I would like to move the discussion to a new matter.

Mr. Chairman: Would you excuse me for a second? Mr. McGuigan, do you have a supplementary on this same issue?

Mr. McGuigan: Did I hear you say that in shoreline emergency situations there could be money available?

Hon. Mr. Pope: It is possible.

Mr. McGuigan: There are people at Wheatley whose houses are about to fall into the lake. I have not really pushed this. It is just interest-free money, is it not? You do not give money in that program.

Hon. Mr. Pope: That is under the Canada-Ontario flood damage reduction program. It is

not under us. It is under the federal government, is it not?

Mr. G. I. Miller: Is not a lot of this under the Ministry of Intergovernmental Affairs?

Hon. Mr. Pope: Is that not emergency assistance?

Mr. G. I. Miller: I do not think there has been much money put into that. There was \$575,000 put in about two years ago.

Hon. Mr. Pope: It is on municipal application and it is in the event of a defined disaster or a defined emergency under the terms of—

Mr. McGuigan: Whenever we phone in they say, "We do not have any money."

Mr. Watson: The damage has to be over \$8 million before the feds come in.

Mr. McGuigan: The reason I have requested it is that when you put a groyne out into the lake it builds up a beach, but then the current cuts in behind.

Hon. Mr. Pope: I have the answer. The Shoreline Property Assistance Act is administered by the Ministry of Municipal Affairs and Housing and provides assistance in the form of low interest loans. It is the Minister of Municipal Affairs and Housing (Mr. Bennett), the next guy up.

Mr. Watson: They do not seem to have any money for that program.

Mr. McGuigan: They never have any money.

Mr. J. A. Reed: It seems to me the Ministry of Municipal Affairs and Housing is gradually taking over the functions of the Ministry of Natural Resources.

Hon. Mr. Pope: You are going to say it is about time.

Mr. G. I. Miller: Did you say it is a loan?

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: At what per cent?

Hon. Mr. Pope: It is a low interest loan. I do not know what the percentage is from year to year, but it would depend on the prime rate. It is probably something under prime.

Mr. McGuigan: It costs you about \$5,000 for one groyne and you need three or four. When you look at the house and the cost of the groyne, and the fact that the groyne's life may be 30 years—

Hon. Mr. Pope: Then you get sued from further down the shoreline—

Mr. McGuigan: The current cuts in behind. It is all right if there is a string of houses and they all agree to put out the groynes. It works then.

I had forgotten that was in the other ministry.

Mr. G. I. Miller: I asked about the controlling of the lake level. Did you get any information on that? The indication was they are controlling Lake Ontario within a two- or three-week period and are controlling it pretty accurately. What about Lake Erie? Do you have any information on that?

Hon. Mr. Pope: No. I took your request; I have not found out from the staff. I will try to find out by tomorrow morning. I know we do not control the levels in the Great Lakes. We do in the inland lakes, or we have some operating responsibility in getting the operators of the different devices together to come up with some policy on levels.

Mr. G. I. Miller: Do you have any input into Great Lakes water management?

Hon. Mr. Pope: Other than in general, there is the water quantity role which we are starting to develop involving levels, mainly because of projected increases in consumption and the impact it will have on the levels of the lakes.

Mr. G. I. Miller: Now that you are aware of these problems, do you not get any communication or feedback, any indication of the levels?

Hon. Mr. Pope: I have not seen any of the Great Lakes system reports. I have seen water level reports on inland waterways.

Mr. G. I. Miller: The final thing is I see so much waste material being dumped in; I have seen it utilized at Turkey Point. That is a good example of where waste material, old foundations, have been utilized to build barriers for protection.

I have spoken to one of the inland waters people in regard to that. The man works out of Burlington at the present time, and I forget his name, but he says it is an environmental problem. I do not think it is an environmental problem if you are using clean cement.

I think Toronto is a good example. The islands and spits were built under the direction of the conservation authority, I believe, using that waste. It is cheap material we are now just burying in the ground but which could do a tremendous job, I feel, to protect that shoreline on a planned basis. Something in the order of what Remo is saying; however, it has to come under somebody's direction.

It seems to me this is really what the conservation authority's mandate is, conservation. It is not recreation, but conservation. If they had a few bucks to work with and manage that waste, it could be utilized to the benefit of everyone, land owners in particular.

It is not only Remo's area. It involves the area of the member for Elgin (Mr. McNeil), and it is my area. The erosion from Port Burwell to Port Rowan is probably worse than anywhere else. Would you not say that, Ron?

Mr. McNeil: It is bad all along the Great Lakes.

Mr. G. I. Miller: It is bad, but I think it is still worse from Port Burwell to Port Rowan, which has high banks and excellent land, but is just slowly disappearing.

Mr. McNeil: It is falling into the lake on a daily basis.

Mr. G. I. Miller: They had a court case. The land owners took on the federal government—and I think the minister is aware of that—down here on University Avenue, and I suppose they spent \$1 billion. I do not know; not a billion, but a million?

Mr. McNeil: Yes.

Mr. G. I. Miller: It would not be far from that. A tremendous amount of research, American expertise, was brought in. I think there was a Dr. Armstrong, if I am not mistaken, from the University of Michigan, and American engineers—all those people whose input went into that case.

They have not come down with a decision yet. It just makes me sick to see money going only to lawyers' and engineers' fees, and then not being utilized. There has to be some way of harnessing waste material, good material, to protect that shoreline.

If you had your farm there, if I had my farm there and Ron McNeil had his farm there, and it was slowly disappearing at the rate of two or three acres a year, I think you could just see things eroding. It is too big a job to be done on an individual basis. We need make-work programs and the farmers in that area are utilizing—the one who owns the sand hills, what is his name?

Mr. McNeil: I know who you mean.

Mr. G. I. Miller: Anyway, they use cement from the cement plant, put it in big blocks, and put them out to protect the shoreline. They have used assistance from the Ministry of Agriculture, I believe it was, which amounted to about \$10,000.

They have tried to stabilize that, but it seems to me that it is useless unless it is on a planned basis. It has to be planned, and has to be done by the ministry and the conservation authorities, along with the municipalities, to co-ordinate that, to get that waste put to a use where it is going to protect property.

8:50 p.m.

I think it kind of comes back to your responsibility, through the conservation authority, to see if that thing cannot be organized to protect the shoreline and control the erosion.

The member for Halton-Burlington (Mr. J. A. Reed) and I have just been talking about this. It may be impossible to stop it totally, but you can at least slow it down, and eventually it may be controlled totally. You have to start someplace, and you cannot expect the taxpayers to do it on their own. It has to come from this level and the federal level, the two levels of government.

Mr. Watson: Mr. Chairman, I have a supplementary on the same issue of the erosion. I want to look at the other side.

We had one of the strangest situations in Chatham this spring that we have ever had. It came about because of the ice jam near Sarnia at Lake St. Clair. Lake St. Clair dropped maybe three feet; the Thames River in Chatham dropped about three feet. The river is at the lowest level anyone has ever seen.

There is an argument as to who is responsible, but there are a lot of people who think the water has always supported the bank. I have property along the water and, so help me, the water was 25 feet from the bank, therefore the bank just fell in. We have a lot of places in the city of Chatham where the bank fell because there was no water there to hold it up.

Everyone heard about the ice jam, and that was quite a phenomenon. The boats could not get through. But what I think a lot of people do not realize is that the water dropped really an amazing amount in Lake St. Clair and in the Thames River from Chatham, and erosion has actually occurred because of low water.

So if you are looking at help for erosion damage from high water, just remember there is another side of the coin that is unusual. They had damage from low water for a period of two weeks.

Mr. McNeil: As a follow-up to what the member for Haldimand-Norfolk (Mr. G. I. Miller) has said, I quite agree with him, but the federal government built that breakwater—

Mr. G. I. Miller: Breakwater, that is right.

Mr. McNeil: —to protect the Port Burwell harbour, and after they built it, soil started to build up on the west side and we lost it on the east side. As a youngster I can remember walking out on the east side; you could walk out there for half a mile. Of course, that is a little before your time.

Mr. Chairman: You are going back into ancient history now.

Mr. McNeil: I do not know what the answer is, but I just wish the ministry could run a pilot project. I have suggested to the minister that if there were a pilot project from Barnum Gully to Port Bruce, it might give us some idea of what our problems are, because east of Port Burwell it is a very serious problem; west of Port Burwell, it is still a serious problem, yet the beaches build up.

Iroquois Beach, for example, used to be nothing, and now because of the breakwater the federal government built several years ago the waves come around there, sweep around east and are taking all that soil out of there.

I can remember when I was a member of the roads committee in Elgin county. We went down to look at a problem we had where about 40 feet had dropped in overnight; and yet it has never changed. I think it was created by the breakwater that was built by the federal government. I do not know whether it was built during Liberal times or not; I guess it would have to have been, because they have been in office since God knows when.

Interjections.

Mr. McNeil: I do not know what the answer is, but I just wish the ministry would give consideration to a pilot project and try to look at this thing. I have suggested that Barnum Gully to Port Bruce, which would be about four miles, might be worthy of consideration.

Mr. Chairman: Would you like to reply to that question and those four or five supplementaries, minister?

Mr. McGuigan: A trip to Holland would give you the answer.

Mr. G. I. Miller: No, not Holland. No, we cannot go out of North America.

Mr. Havrot: Hull. Hull is better; cheaper, too.

Mr. G. I. Miller: They say in California the coastal highways have dropped. If I drove up Highway A1A in Florida, the ocean is right there, the highway is here and there is no bank. I do not understand why it has not been washed out, but it is maintained there. I have come up there and I was really amazed.

Hon. Mr. Pope: I understand what you are all saying. The fact of the matter is that everyone can make a case for erosion problems along the Great Lakes, but there is simply not enough money available in any program to address that general issue.

I would not rule out a pilot project and I would not rule out emergency assistance in certain situations, but I have to say, given all the other projects in flood control that we have available, we just do not have money for that kind of a comprehensive program along the shores of the Great Lakes. All I can do is try and accommodate demands on a project-by-project basis, knowing that we do not want to set a precedent for a lake-wide program, because we simply would never have the money to do it.

With respect to the fill at the Leslie Street spit, it attracted some opposition from some groups in Toronto that did not want the Toronto Harbour Commission to continue adding to the Leslie Street spit. The Toronto Harbour Commission, the Metropolitan Toronto and Region Conservation Authority and federal and provincial officials have met with these people over the last little while. We finally finalized our lease arrangements for that property.

Be that as it may, from time to time in some areas there is no doubt we could make some suggestions to demolition companies about the placement of fill. Certainly that is something we would be prepared to try and work with local municipalities on.

Mr. G. I. Miller: May I ask one further question? Would you not say it has been stabilized where they have utilized fill along the Toronto waterfront? They spent millions of dollars. Do you not think it has stabilized the area from Toronto to Oakville? Have they been able to stabilize it?

Hon. Mr. Pope: In downtown Toronto, it has. There have been some erosion problems, particularly east of the city.

Mr. G. I. Miller: On the bluffs. I know what you are talking about. Even there, has it not been stabilized to some degree?

Hon. Mr. Pope: Not according to Mr. Ed Fulton, who is the local alderman. He had a committee that took me out last summer along the bluffs to look at it—right along the shoreline of Lake Ontario, as well as in on the ravine. They seem to feel it is still a problem.

Mr. G. I. Miller: You have had a chance to observe that.

Hon. Mr. Pope: Yes, I went out on the bluffs. They have tried groynes and they have tried everything.

Mr. G. I. Miller: Yes, I know. But would you say that has helped and been useful?

Hon. Mr. Pope: It is really controversial. On balance, the opinion among engineers is that it has not really had that much of an impact.

Mr. Chairman: I wonder if we could swing back to Mr. Mancini, who is the original instigator of this discussion.

Mr. Mancini: Several years ago, Mr. Foster was your assistant deputy minister for southern Ontario. I had him visit the town of Amherstburg to meet with town officials and with representatives of the Essex Region Conservation Authority.

With the grant assistance from the provincial and federal governments, the town has reclaimed a good deal of the shoreline. There is a portion of waterfront property there that the town wished to reclaim for the continuation of the waterfront park. It sought assistance through the conservation authorities and water management branch.

9 p.m.

I was wondering if you could check your files for me. It is my understanding that at that time the Ministry of Natural Resources, after Mr. Foster looked at the situation, was prepared to make a special grant to the conservation authority which would then, in conjunction with the town, have purchased that property and then would have been able to extend the waterfront park.

I am not sure exactly why—there must have been a difference as to who would exercise control and authority over this particular parcel of land—but that project never went forward. I would like your files to confirm this particular belief that the Ministry of Natural Resources, through Mr. Foster, had made a commitment to the conservation authority which was then going to work with the town to extend that park. That never happened. I would like confirmation of the figures we were talking about at that time. It was three or four years ago.

At present, we are going through the same procedure again with the town working with the conservation authority to see if they can buy up that particular piece of land. I should add that in the meantime the federal government has donated some waterfront land which would allow the park to continue, but there are other parcels of land there that need to be bought.

I would like to know whether or not you expect to be giving these extra funds to the conservation authority in order to purchase that land in Amherstburg. I would like some confirmation about this. If not, I would like to know what is the difference between now and three or four years ago when your ministry was prepared to do it.

There seems to be some confusion here, and I would like to get it cleared up. I cannot get it cleared up unless I have the information from you.

Hon. Mr. Pope: It is more current than three or four years ago. I have been made aware of the project. I have seen the maps of the project. I have seen the property descriptions and some of the appraisals. Mr. Foster, as the assistant deputy minister, promised that he would give the money to the conservation authority in the light of the presentation made to him. He had no authority to do that.

We have a system of allocation of funds to conservation authorities based on a priority rating. It is the same for property acquisition as it is for flood control construction. The regional office would rate land acquisition considering its purpose, and the priorities would be set by the region, rolled into a provincial priority system and then given the available money for land acquisition. You just go down the list of priorities and fill them until you run out of money.

The project would have to have gone through that process even four years ago. However, I indicated to the officials who talked to me about this that I, too, would like to see the park completed and that I was willing to try to find the available funds. I did not promise them that it would be immediate, but I promised them I would keep that project in the back of my mind, and if money came available I would try my best to make sure they got it.

They left the discussion, I think, feeling that at least the project was in our minds at the head office and that we would try to do something in the near future. They had some problems. As I understand it, there was a private piece of property—I cannot remember the structure of it now, but it was not a significant structure—splitting the project. They wanted to acquire it and they wanted to make it part of a downtown shoreline revitalization project.

It was adjacent to the existing marina, was it not, or adjacent to the docks?

Mr. Mancini: Yes.

Hon. Mr. Pope: There was a very old building there.

Mr. Mancini: It would be adjacent to Duffy's Tavern, I believe. There are several separately owned parcels of land. There was one parcel of land the federal government gave to the town.

Hon. Mr. Pope: There is a town parking lot there, too, in the neighbourhood.

Mr. Mancini: Yes, right there. There is dockage property owned by Bob-Lo Island. There is the parking lot you mentioned and another piece of land where there used to be a hotel.

I want to get back to the point concerning Mr. Foster. I believe this took place in 1980. I would like you to check the files at the regional office. Unless you are able to show me something different, we did receive a commitment that the conservation authority was going to receive funds to assist the town in the purchase of some property there.

Now 1980 is very different from 1984. Maybe we were not talking about the same pieces of properties or all the properties, and maybe we were. I am sorry I do not have my file with me. I would like you to assure me tonight you will have the regional files reviewed for the purpose of getting that information. I would like to know how the situation has changed today as compared to 1980.

Hon. Mr. Pope: I will review the files and I will tell you what the answer is. Even if Mr. Foster agreed, if there was no money available, there was no way the money was going to be made available.

Mr. Mancini: I think the money was available. I do not think Mr. Foster or the ministry at that time said there was no money. I think other problems arose that prevented the deal from being completed.

I do not think the ministry said in 1980, "Yes, we think we have some money;" and then six months later said, "No, we do not have the money." I am not blaming the ministry. I hope you do not have that impression.

Hon. Mr. Pope: No.

Mr. Mancini: Good. I cannot blame the ministry. There are other factors, land owners, etc., that had an impact on that not being done. My case is that if we were ready and able to have money then, we should be ready and able to have money now. I hope the problems that took place after 1980 that prevented the completion of the park no longer exist, and that with your contribution we will be able to go ahead and finish the park. That is basically the point.

Hon. Mr. Pope: I can tell you that would be an outdoor recreation program. The acquisition of land would fall under the recreation component of the ministry budget. In 1984-85 that is proposed to be \$1.8 million for the entire province, which is a decline of \$219,000. The total on projects sent in to us and not being funded amount to \$2,721,452.

9:10 p.m.

Mr. Mancini: The situation is such that I do not believe—please correct me if I am wrong—when you were briefed on this possible land

acquisition it was put to you in such a way that there was a formal request for money. My understanding is that you were informed of the project so that, once the pieces could be put together, you would be able to fund the money. I think that is how it was explained to you, but if I am wrong, please correct me.

Hon. Mr. Pope: I think that is accurate.

Mr. Mancini: The other point I want to make is that, if this land is acquired through money from you to the conservation authority, what jurisdiction does the conservation authority then have? Do they become co-managers? Do they let the town run this portion of the park the way they are taking care of the rest of it? Do they participate in the upkeep? What does all this mean?

Hon. Mr. Pope: The only way that the conservation authority would be able to maintain or supervise would be if it were included in the authority's operating budget. Most conservation authority operating budgets for the last four years have been reduced.

The only way they could get involved is if they had some sort of contractual arrangement with the municipality. They might remain owners, but the municipality would have financial responsibility. Whether the municipality could then apply to the Parks Assistance Act, which is funded by the Ministry of Natural Resources, and get at some of the ongoing improvement costs that way, is—

Mr. Mancini: Does the Parks Assistance Act help you acquire land?

Hon. Mr. Pope: It is mainly used for capital improvements to already acquired land. You would have the conservation authority acquire the land, but then you would have to have some contractual arrangement between the conservation authority and the municipality, with operating responsibility in the hands of the municipality, and see if you qualify under the Parks Assistance Act.

Mr. Mancini: We need a vehicle for you to fund the money through. I guess that is the intention behind involving the conservation authority. The town in question receives some of the benefit of its assessment paid into the conservation authority.

All municipalities pay into them. Some municipalities receive benefits and others do not. After a period of years, most of the municipalities which have not received any benefits after paying a substantial fee to the conservation

authority feel they are entitled to benefits, and certainly they are.

Being able to receive some benefit for being a member of the authority, and having the authority as a mechanism for you to fund money through, are two reasons, in my view, why the conservation authority is involved. Why would they want to be involved in any of the management whatsoever?

Hon. Mr. Pope: My preference is that if there are going to be intensive recreation facilities provided and some ongoing supervision in the area, it is something that the municipality should address under the Parks Assistance Act.

Mr. Mancini: It is a leisure park. I am not sure what you mean by intensive recreation. Is walking along the waterfront intensive recreation?

Hon. Mr. Pope: No, but playground equipment is: the development of baseball diamonds or soccer fields, this kind of stuff.

Mr. Mancini: We are not talking about the same thing.

Could I have your assurance that you are going to review those files and get that information for me?

Hon. Mr. Pope: I will look at the 1979 or 1980 file. All I can tell you is that in land acquisition it does not matter what the file says, it will have to be dealt with through project approval and funding approval with the Ministry of Natural Resources, and be allocated on a priority basis.

I will look at the file and see what the documentation shows. I will not answer your problem, but I will find out for you.

Mr. Chairman: Thank you, Mr. Mancini. The next person is Mr. Miller. Did you get it in your supplementary, or do you have something new?

Mr. G. I. Miller: I did cover some of the areas as far as conservation is concerned, but let me get it correct. It was Jim Alton who owns the sand hills and he was the one who brought in cement blocks from London. Trucking was the big cost, as I recall. He built out piers. I recall him indicating he did that two years ago. He indicated that the cost of trucking was the big expense.

I think it is under the mandate to conserve public lands and waters. I think farm land is considered public land. I think it is within this jurisdiction, through the conservation authorities along with the property owners, to conserve and encourage an ongoing program to protect the

shorelines. I think we have covered that fairly well.

I bring this matter to the attention of the minister for his information, although he is probably aware of it. There is a major marina project in Port Dover which was announced about a year ago and it is pretty well under way. It is going to do two things. It will eventually provide a marina for around 500 small craft, plus it will protect an area along Lake Erie known as Brant Hill. It will improve the value of that property and stabilize it.

It was originally developed as a cottage area and then turned into permanent residential. It is not laid out in the best manner, but in future it will be a much more valuable and useful part of the lake front.

Hon. Mr. Pope: Is that developed to the east of the existing facilities or west of the—

Mr. G. I. Miller: It is east. I do not have the name; it has not come to me yet, but it probably will. They certainly frowned on using cement material and stones for foundations. There are a lot of stones in old construction.

I noticed only in the past month that in the new town site of Townsend they are knocking down good homes and taking the old foundations. I am not sure what they did with them. I assume they took them back to the dump and buried them.

I still say that if they had a plan where they were supervised by the municipality, the region and the ministry, you would be surprised how much protection could be achieved by using that type of material. All that would remain would be the trucking and you would have to truck it anyway.

I see a lot of foundations sitting around in my area, because the agriculture industry is depressed; a lot of people are leaving their farms and the old buildings are falling down. The foundations still remain. It is unsightly. It would do two things. It would improve the environment of the farm land and be useful for conservation purposes.

I feel strongly about it. I hope some time a plan might be arrived at. I think it has to come through the leadership of the federal and provincial governments. The minister is in a strong position to do that.

The minister is coming to our riding on Thursday afternoon. We want to welcome him there; I hope to be at the function to have that opportunity. I believe he is going to be looking at the Watson dam site.

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: It is under the direction of the Long Point Region Conservation Authority. We had a meeting a year or so ago to decide whether we should proceed.

Hon. Mr. Pope: We did an independent—
9:20 p.m.

Mr. G. I. Miller: A study was made. Are you going to proceed with it now? Is that the plan?

Hon. Mr. Pope: We have not reviewed it. I have the documents, which I am going to try to review before I go down there. I do not intend to make an announcement down there but I will have a look at it, talk to some of the people there and see what the answer should be.

Mr. G. I. Miller: I appreciate that. I know again, as a member of the authority, when that project was under way we supported it, not because we were closely involved but because the older members on the authority felt it was a good project. Deer Lake, where the function is going to be held when the minister comes down, is a good example of water control and water management and the provision of water, which is such an important resource in all Ontario, but particularly in that area because of the sandy nature of the soil.

A lot of money was spent and a lot of work was done by a lot of people who are no longer with us, unfortunately, because of age and time. I hope you will give us consideration, along with the co-operation of the folks in the township of Norfolk and the region of Haldimand-Norfolk and the Long Point Region Conservation Authority, to proceed with that project. I think it probably would do future generations much good.

The other area I believe you will be looking at is the St. Williams nursery. You discussed that the other night. There seemed to be some indication that production was down in that area as far as trees are concerned. I think it plays an important role in southern Ontario and could be expanded rather than swinging it back.

Hon. Mr. Pope: Just on St. Williams, because you—

Mr. Chairman: Very briefly, because I do not think it comes under this vote.

Mr. G. I. Miller: No, I realize that, but it has a connection with conservation.

Hon. Mr. Pope: The member asked me to get back to him.

There have been no permanent staff reductions in the last six months at this site and none is foreseen. For the spring shipping season, St. Williams shipped out five million trees. The

inventory target was 5.1 million. In the previous spring shipping season, St. Williams supplied 6.2 million trees.

The reduction was projected and staff attributed it to normal biological seasonal losses. The reduction spread across all three seasons.

Mr. G. I. Miller: So there was a reduction in production. That is a concern to me. I realize there has to be sale and management of it, but I think we should be trying to increase the planting and the restoration of our forested areas. We are trucking out firewood by the tractor-trailer load and this has been taking place within the last four or five years. We ought to make sure we have a replacement for that for future generations.

Hon. Mr. Pope: I do not think that is a permanent reduction. The way it was explained to me was they are operating on production projections, which tend to fluctuate a bit. They go up and down based on predicted contracts, predicted interests, whether sites have been prepared, so I do not think it is necessarily a permanent reduction.

Mr. G. I. Miller: I understand that, but I want to make you aware there is a cutback. I think we should be trying again to encourage replanting, even down as far as Chatham and Kent. I think they could use windbreaks. I will let the members speak for their own areas, but there certainly has been an onslaught on our woodlots, which play a very important role. I think we have to be conscious of that.

The other area I would like to cover under conservation authorities is the flood plain, particularly in Simcoe. The minister did come down to have look at it at first hand. I believe he made an announcement at that time which may resolve the controversy between the municipality and the conservation authority. He indicated there should be development and pulling back a little bit on the authority of the conservation authority so we use a practical approach to the development of the area, because there was no indication of that. There was a lot of danger of flooding, even on the 100-year basis. I appreciate that.

Things seem to be working much more smoothly and we are getting development again along the Lynn River and those areas that were designated flooding areas.

The other thing that has concerned me—and I am not sure if it comes under conservation authorities; I might just try it on you, Mr. Chairman—is in connection with port facilities, marina facilities.

Mr. Chairman: I think that is stretching this vote quite a bit.

Mr. G. I. Miller: I will just ask one quick question, then. It comes under the Ministry of Natural Resources. You do have a program which gives assistance to small port facilities in Ontario.

Hon. Mr. Pope: You are going to like this answer. The Ministry of Municipal Affairs and Housing has the program.

Mr. J. A. Reed: Somehow, Mr. Chairman, I just knew it. That is the third Natural Resources subject that has gone into the Ministry of Municipal Affairs and Housing.

Hon. Mr. Pope: It is small municipal—

Mr. G. I. Miller: I checked with my critic, and he said—

Hon. Mr. Pope: Just a second; small municipal marinas.

Mr. J. A. Reed: Small municipal marinas.

Hon. Mr. Pope: However, under the Board of Industrial Leadership and Development, money has been set aside for marina development. Frank Maher of our ministry, who is now director of the outdoor boating recreation office, is the chairman of the working group that analyses all the applications. We bring them forward from the ministry to the BILD meetings.

Therefore, we have funded public, quasi-public and private marina developments in different parts of the province. I guess the answer is that there are a number of avenues you can try.

Mr. G. I. Miller: I will follow it up. Later on in the estimates I may get into that a little further.

I just want to say that the Long Point Region Conservation Authority has probably been one of the most efficient and effective authorities in Ontario. Perhaps the minister would, when he gets back, take us up on that point.

I want to move on to the Grand River Conservation Authority. It has considerable control over the lower Grand, which runs through the former county of Haldimand, now Haldimand-Norfolk. It is a tremendous waterway and it was the main road going back 200 years, for which we are supposed to be celebrating the bicentennial. It was probably the first waterway used extensively in southern Ontario.

Consequently, in the 1830s to 1850s, it was upgraded with dams at Dunnville, four or five between Dunnville and Caledonia, and the Caledonia dam. It was planned to be the major industrial area of that part of Ontario and Canada because it had access to that water power, and

many mills. Mount Healy was a highly populated area.

If you go down there today—Shirley and I had the opportunity of canoeing for cancer a few weeks ago from Caledonia to Cayuga—and want to see some beautiful old homes, they are still there.

Hon. Mr. Pope: Just a second. You went in a canoe?

Mr. G. I. Miller: I was in the canoe. I did not get wet. I sat in the back, Shirley paddled, and I just kind of steered. However, it was a—

Hon. Mr. Pope: I hope you did not stop anywhere.

Mr. McGuigan: Shirley's end was up out of the water.

Mr. G. I. Miller: Incidentally, Mr. Chairman, to the minister, we saw one of the nicest sights that you only see occasionally. We saw a herd of turtles on a big log; there had to be 40 or 50 on it as we came along. They were eight or 10 inches across.

As we came along, they all rolled off that log; a few of them stayed on. It was a highlight of the trip.

One other time when we were going down, we ran into a school of carp. I am giving you a little history lesson. I realize we have spare time. We have no opposition to my left so we can drag it out.

Mr. Chairman: Your colleague to your right wants to say a few words.

9:30 p.m.

Mr. G. I. Miller: Okay. Well, I will not be too long. I will shorten it.

We ran into a school of carp. As we went over the shallow water, it was just like going over rocks. They were hitting the bottom of the canoe.

What I was really going to point out is that there are a lot of beautiful homes, the like of which you will never see. There is the Thompson estate. There is a house down by Stromness, near Port Maitland. It was built by the people who owned and operated the waterway back in the early 1800s.

Hon. Mr. Pope: What was the name of the family?

Mr. G. I. Miller: The name of the family was McCallum. The house has rooms with 12-foot ceilings downstairs and 10-foot ceilings upstairs. It is a mansion. It is owned by Les Snively now. It is fairly well maintained.

I know that municipalities such as Dunnville and Haldimand would like to restore that to a

waterway something like the Trent Canal, or some of the other major waterways in Ontario, so that we can travel it again as it was travelled back in the early 1800s, up to Brantford, which is about 50 miles.

We do have an excellent new dam at Caledonia with a lock provision. The plans are for the Grand River Conservation Authority to upgrade the dam at Dunnville. I believe the contract is about ready to be let. Perhaps the minister could bring us up to date on where it sits. It would provide an opportunity of getting over that dam, either by railway or water lock, and a fish ladder.

Down the road, as I said, the towns of Haldimand and Dunnville, the Six Nations reservation and the county of Brant have a committee set up to develop this.

This old Thompson estate could be of tremendous historical value. There are many other homes along the river that could be of historical value, be tourist attractions. The Thompson house has three or four huge pillars across its front. Let me see, what can I use for comparison? It is a mansion-type building. They have a gatehouse—a little home at the front for the guardians of the gate. The house is not being used now.

Mr. Chairman: Called the outhouse.

Mr. G. I. Miller: No, not an outhouse, just a nice little house. However, there is history there that takes us back to 1790, when the Hoover family settled out in the Selkirk area. There is a lot of history and a lot of potential. It is being developed, but it hinges on the development of the Dunnville dam.

I recognize that there were some stipulations put in by the conservation authority that they had to dike it up to a certain level before they would build the dam. I believe they have come to an agreement on how they should do that.

I guess the question is whether that project going to go ahead this year. Is it in the planning stages, or is it going to be done?

Hon. Mr. Pope: I do not see it funded for this year. I have read the planning document, so I presume they are about to settle the final timing of the project. I agree with you. I do not think there is much left that is contentious.

Mr. G. I. Miller: All the problems have been overcome? It is a matter of timing now?

Mr. Chairman: Is this estate privately owned now?

Mr. G. I. Miller: The estate?

Mr. Chairman: The estate. It is privately owned, is it?

Mr. G. I. Miller: It is owned by the Thompson family, but they are not living in it. You cannot see it from the road. You can see it from the river. All the homes were built with the houses facing the river and the barns behind the house. Now, when you come in, you come by the barn to the house, because it was designed that way. The river was the highway.

To complete the history of the river, the canal was built in 1835 to 1840, after the Welland Canal, by the same people. The canal was fed by the water from the Grand River, through another canal that went through Moulton and Sherbrooke. That is where they got their water for the Welland Canal. They also used it as a barge canal, which was only slightly used for a short period of time. However, the owner of the house at Stromness was the person who owned it, and the one responsible for putting it all together.

The railway came in 1870. What is now Highway 6 went from Hamilton to Port Dover and was called the Plank Road, a toll road which came in about the same year.

Of course, the business on the Grand River went down the drain. It was in financial trouble. It was no longer financially viable. They had to abandon it. A lot of money was invested and lost.

Speaking about the dam, the other thing is the fact that it did generate a lot of energy because it was supposed to be the industrial heartland of southern Ontario. After the dams went by the wayside, however, and hydro and steam came in, it was not developed.

We put in a new dam at Caledonia. I was the critic of the Ministry of Energy at the time and indicated that they could harness that dam for hydroelectricity, sell it back to Hydro on a small basis and the dam would have paid for itself.

Hon. Mr. Pope: That would have ruined the canoeing.

Mr. G. I. Miller: No, it would not.

Mr. J. A. Reed: Not the Caledonia dam, minister. You should take a trip out there and see for yourself.

Hon. Mr. Pope: I am not going near there in a canoe.

Mr. J. A. Reed: I do not own any property on the Grand River, minister. Quite frankly, I do not even know whether the river is considered navigable or not; it probably is.

Mr. G. I. Miller: Only to Cayuga.

Mr. J. A. Reed: Only to Cayuga?

Mr. G. I. Miller: That is right.

Hon. Mr. Pope: On an earlier point, in case I did not get my signals right, there are some

capital project costs for the Watson dam site in this year's budget. It is \$51,000. I do not think it is the major project.

Mr. G. I. Miller: A cleanup plan.

Hon. Mr. Pope: Yes, I think that is what it was.

Mr. G. I. Miller: I want the minister to be aware of the potential on the Grand River. I would like to see the dam completed.

There is a marina being proposed in Dunnville, below the dam, on the Grand River. They do not have any major facilities. It is rather roughshod. Port Maitland could be a beautiful place. It is old. It was a major port at one time, but it certainly is not today.

Again, I believe it is a federal responsibility, as well as provincial. There is a lot of potential there that should be developed, and will be developed. I hope we can move along with the planned program.

Mr. Chairman: Like you, Mr. Miller, I would like to see the Grand River Conservation Authority, and other conservation authorities, become more involved in the conservation of some of our older historic properties.

Mr. G. I. Miller: That is right.

Mr. Chairman: That was not the case in Cambridge.

Mr. G. I. Miller: I am sorry about that, but I do recognize Cambridge as playing a leading role, as did Preston. An engineering group from San Antonio, Texas, came over to give a lot of advice on how to upgrade the Preston area, as well as Caledonia. Those ideas are unfolding now.

Hon. Mr. Pope: With the chairman here, I do not dare contradict you.

Mr. J. A. Reed: Thank you very much, Mr. Chairman. I would like to sort of zero in on the conservation authorities, what they do and so on. I am going to offer a couple of suggestions to the ministry tonight that might save it a little money, because that is really why we are all here.

We had quite a lengthy discussion, a rather philosophical discussion, about man in conflict with nature. When you talk about flooding, flood problems and erosion problems, what we are really talking about, I think, is the fact that nature is taking its course and man is in the way. This has been a problem that has been with us ever since the province was developed.

The Scarborough Bluffs still erode, as they have for thousands of years. Lake Erie still erodes, and it has been for thousands of years.

The Credit Valley floods, as it has been doing since time immemorial.

Mr. McGuigan: And in 10,000 years, when Niagara Falls is washed out.

Mr. J. A. Reed: Knowing you, Jim, you may be around to see it.

Mr. McGuigan: I am staking out my land claims in the lake.

9:40 p.m.

Mr. J. A. Reed: I guess what I am getting at is that I do know and appreciate the fact that control projects and engineering projects to enable man to live in these areas of conflict are often considered necessary, useful and so on. However, I am wondering if, often, there is not the option to change the process; that is, to practise control measures that allow nature to take its course.

The very best flood control is to let a flood happen. The stumbling block, however, is that the flood very often finds itself in conflict with man. This is particularly true in the area I come from. As a matter of fact, certain hazard areas in the Credit River valley have been singled out by the conservation authority, and by its work, as being dangerous to life and limb.

At the same time, various flood control projects have taken place in the Credit Valley, such as channelization projects and so on. Some of these are open to question when related to, say, the option of acquiring property where the hazard might have been perceived prior to the project taking place.

I am wondering if the ministry lays down a philosophy, both in regard to conservation authorities and to its other agencies, about weighing those elements in the balance and deciding whether it is sometimes not much cheaper to make an acquisition and simply eliminate the conflict between man and nature.

They can allow nature to take its course and do what it is going to do, rather than engage in projects that very often do not accomplish what they set out to do. The engineering might not be as adequate as it could be. As well, there sometimes seems to be a patent failure to recognize that nature will win out in the end, sooner or later.

For instance, if we take the S-bends out of a river course—I can show you examples of that not far from my home—the river can be straightened out. The gabions can be put in and we can spend millions of dollars on a project, and say, "What a wonderful work of man." Yet, in a few years' time, a flood occurs and the river resumes its

original course. More money is then poured in to correct the problem, if you like.

It occurs to me that these difficulties might be better pursued, and more cheaply pursued, if there were a different philosophical approach to flood control; that is, to simply make the area available to flood, if you like, and to eliminate its competition with man.

You certainly cannot do that in every case. There are certainly lots of cases where flood and erosion control projects are necessarily justified, and so on.

I have borne witness to decisions that were made on the basis of an engineering concept to control flooding, when the engineering option might not have been the best solution.

I would ask the minister these questions. How does he direct his conservation authorities in this regard? Does he allow each conservation authority a totally free hand in making those decisions? Does he provide some guidelines that make the conservation authorities weigh those elements of debate in the balance, to decide whether it is better to spend \$5 million on a control project, or perhaps \$2 million on an acquisition?

We have a situation in the Credit Valley now where the authority has zeroed in on one area where they consider the danger to life and limb to be rather extreme. The existence of the location is a carryover from the days when there was no control over what happened in those areas. As a result, some things get grandfathered in and do present a danger.

That is one. Maybe you are doing that; but if you are not, I suggest you do that because in the long term you may stand to save a substantial amount of money and improve your flood control approach by the process of allowing flooding rather than simply stopping flooding.

The other area I have always been concerned about is a hope for, at least on my part, a partnership between conservation authorities and the private land owners who are affected by the conservation authorities. I have seen some very positive attempts made at communicating and taking those land owners into confidence, but I am not so naive as to believe that is general either throughout the province or with all the personnel of any conservation authority. You are missing something of a golden opportunity.

Many of those people who live in the flood plain or in proximity to the river valley have a keen interest in what goes on. They are not dissimilar to the people who have lived for some generations around various major bodies of water who have a keen conservation interest in what

happens on that body of water. I have a very good friend who was born and raised in the Rice Lake area. He had a career in southwestern Ontario; upon his retirement, he went back to Rice Lake. He is an avid conservationist, but he has no real way of expressing his expertise with his conservation authority.

What has happened recently is that he has found himself in some conflict with the ministry because he has seen activities going on which he holds up to question, not from the point of view of being an expert biologist but from the point of view of someone who has lived with the body of water all his life, who has a keen interest in its future success and its future viability. He is frustrated because of his inability to participate in the activities that go on.

We have the same experience in the river valleys. There are a lot of owners who want to be good stewards of their land. They own the property and use it for one thing or another. In the Credit valley there is a good deal of farm land located at the river bottom. There is a basic desire to want to participate, rather than find oneself in an adversarial position with a conservation authority. There is a desire to want to feel—it can happen—in some sort of partnership effort where the efforts of the steward of the land complement the efforts of the conservation authority.

9:50 p.m.

What we are finding now, and I guess I am speaking from personal experience here, is that some of those attempts at partnership have only been as good as the personnel of the day or of the hour. As the personnel change, the attitudes change. I have seen attitudes go full circle.

I can remember proposing a project to a particular conservation authority manager, a co-operative effort between private and public enterprise that would have been of very minimal cost to the conservation authority. As a matter of fact, the conservation authority owned a machine at that time and was excavating or re-excavating old mill ponds on the Credit River.

The proposal was put simply to allow the farmer to operate that machine on his own land to clean out his own mill pond at his own cost. He would maintain the machine and provide the manpower to operate it until it was done, turn the machine over to the conservation authority again and it would move it to the next person.

The answer received was, "If you will deed the land to the conservation authority, we would be glad to clean out the mill pond." Then when the response was, "We are not interested in deeding our land to the conservation authority," a file

folder was conveniently pulled out of the top drawer of the file cabinet with "expropriation" written in red letters across it.

That sort of attempted intimidation has been less than uncommon in the past, to be generous. It has been very unsettling, and not conducive to a spirit of co-operation or partnership between the participants in the river valley. The ministry is missing an opportunity that could make a significant difference in the cost of operating its authorities and a significant difference in its administration, simply by making use of or tapping the resources and whatever expertise is available.

I know that is difficult because egos very often find themselves in conflict. It is sometimes very difficult for a farmer to tell an engineer what he is doing is wrong and he should change it. One has to wait for the first washout of his project in order for him to discover he was wrong. Being a civil servant, it is difficult for him to admit that. I know these things provide difficulties, but they are real incidents that happen continually.

Those are two suggestions I have for the ministry that could represent some sort of advancement. One in particular, the latter, certainly requires a change of approach in terms of the bureaucratic mind.

I do not want to hog the time, but I want to spend a couple of minutes talking about a couple of other areas that do involve conservation authorities.

Hon. Mr. Pope: Could I answer two of those things?

Mr. J. A. Reed: Sure.

Hon. Mr. Pope: I could not agree with you more on the second point you raised about partnerships and co-operative attitudes.

You are right. In the last couple of years we have tried to indicate that a conservation authority does not have to own the land to be involved in dealing with it in partnership with private owners or other public owners. Surely it can deal with prescriptive uses of the land or ways in which the land can be used that would consider consequences that may affect the workings of the conservation authority without having to get involved in expropriations.

You are right. The recognition of that change in direction has been spotty.

All I can tell you is that if you think I agonize over funding approval, you should see how we agonize over project approvals, particularly when they involve land acquisitions in circumstances which may lead one to believe there are

other options available, as you suggested, that have not been looked at.

I often tend to spend a lot of time in project approvals. I will keep them for a couple of weeks if I am not sure they should be approved and really try to think them through to see if there is not a better way. If there is something I do not know about that should be verified, we do a lot of inquiring through other sources.

We do recognize that in some conservation authorities there may be a problem of conservation authority employees who do not have the experience or training to deal with people or the experience to be flexible in the way they approach property owners. The conservation authority association agrees. One of the major decisions we have taken this spring is that we will get a training program in place so that the staff, on a regular basis, are made more aware of the other options they should be looking at.

Having said that, I do have to agree that our objective has to be to work more with the private property owners; less direct confrontation, less intimidation and less of the feeling that only a conservation authority employee has the experience or expertise to make a contribution to the conserving of the type of lands we look after. I do not think that is the case.

What I am saying is that I agree with you. We are trying to be a little more selective and do a little more background work on project approvals to make sure there are not local concerns that have not been listened to. Sometimes we miss them.

We do intend to improve the way in which staff from the ministry and regional offices, as well as conservation authorities, deal with people; and to do that immediately. We hope some of those attitudinal problems will be addressed where they arise. It is spotty. In some places there is a good attitude, depending on individuals; in some there is not.

If I can jump quickly to your first point, we do cost-benefit analyses of flood control projects. Before project approval is given, staff examine the cost-benefit analyses, looking at the option of acquisition versus flood control mechanisms such as berms and floodproofing the buildings. We go both ways.

On the Mountjoy Creek and along the banks of the Mattagami River we moved more than 70 homes completely and put them in another area of town where they were not susceptible to flooding. This is in my home town, Timmins. Yet on the town creek we actually did floodproofing by covering over the creek at the lower

ends. We have done both, at least in cost-benefit analyses. We have, for example, moved Field right out of the flood plain area.

On the other hand, in Port Hope, because of a cost-benefit analysis, we did the actual structural work without moving any properties. We did the structural work, deepened the channel and protected the bridges going across the river—all these more capital-intensive things—without changing the land ownership.

We tend to go both ways. We do cost-benefit analyses. Often those analyses themselves are controversial and subject to some questioning. Oftentimes there are debates within the conservation authorities and within the ministry about what options should be pursued.

There has been much discussion about the Grand River. Before I arrived on the scene, the decision was made to go with berms and floodproofing through the built up areas, based on cost-benefit analyses, which I subsequently was made aware of. The problem there is a long-term commitment over a number of years in the phasing of the funding. We have to try to address that as well.

We are trying to do this type of analysis before project approval takes place. Under the new requirements those cost-benefit analyses will be made available to everyone.

10 p.m.

Mr. J. A. Reed: In terms of the second element I touched on, the working towards a greater partnership effort, have you given consideration to either revising or perhaps removing some of the offensive elements of the exercise of authority by the conservation authority?

I will give you one example so we do not string this out forever. I think it is fundamental. There is an order in council that establishes a regulation for conservation authorities which gives the right of trespass to an official of a conservation authority on any lands in its jurisdiction. That right of trespass has even been translated into an agreement that people are required to sign now in the flood plain concerning some development. A 21-year easement was written into one agreement I read, although I do believe the easement is being removed from the revised edition.

Those elements do not promote co-operation. They really set up an adversarial system. I remember having to kick a young authority member off my dam during flood time because he was interfering with my work in lifting gates. He was standing there watching the whole process; he might have had a walkie-talkie in his

hand reporting to somebody for all I know. I had to get him off because he had put himself into a dangerous situation and he was creating a danger for us too. He had a legal right to be there, but he should not have been.

Thank goodness I have been able to work out a system with the ministry where, if they want to trespass on my property, they phone and ask me. I gladly welcome them, but woe betide anyone who trespasses without doing that because he will be charged. Those are not people in authority; they are just ordinary ministry employees. We have developed a pretty solid working relationship.

Under the Conservation Authorities Act, through order in council which supersedes anything else, the right of trespass has been given to any conservation authority official. Many private land owners find that offensive. I am wondering if you have examined those areas that can produce conflict in order to help resolve that.

Hon. Mr. Pope: I think the answer is, as you yourself suggested, that we contact the property owner before we enter upon the lands. There is no doubt there have been circumstances in which private property owners have tried to refuse permission for conservation authority staff to enter upon lands where staff felt it was important to have access. In that case, if they did not have the power under the regulation, the only recourse would be a lengthy court proceeding or charge under the Trespass to Property Act defended in court.

There has to be some balance. I guess what you are saying, and what I agree with, is that the balance has to be a balance of civility.

Mr. J. A. Reed: You do strike a balance with your own ministry. The game officials, the people who are out after poachers and that sort of thing, have the same right of trespass. That is a welcome right because they will not enter on property unless they have reasonable grounds to suspect there is some felony being committed. That is good. There is nothing wrong with that.

What happens in the conservation authority regulation is that it is simply a blanket thing, so there are no conditions under which an official can enter property. He can enter if he wants to go and look at the daisies or whatever. He does not have to have good reason. That element—and we have talked about civility—is very important. It is one of those things that perpetuates this conflict. I will not belabour it any longer.

The flood plain review committee is directly related to the conservation authority, because they are responsible for the application of it. I

have expressed to the minister in the opening statement the concern that the flood plain review committee has expressed in its report. We consider the report basically acceptable, but there are some conservation authorities who are not in agreement with it and who have been running around like ants in a rotten stump to supply municipalities with resolutions opposing the report of the flood plain review committee.

The minister did indicate in his answer to me in the opening statement that he was aware of that, and he was concerned when I pointed out that the conservation authority was able to do this in a very short period of time, but the public had no vehicle through which to rebut that position taken. I would like the minister to expand on that. He may have been able to do some thinking on the subject since.

None of these documents is perfect. They all have their problems. But when you get down to basics, when we get something that is broadly acceptable, we should consider that a step forward. It can be amended as time goes on, but that is a step in the right direction. Let us take it.

Here I am concerned. I know of at least two conservation authorities who have undertaken this activity.

Hon. Mr. Pope: Which ones?

Mr. J. A. Reed: Saugeen and Credit Valley. As a result, I have had some communication with people who have expressed this concern. These fellows can go around and do this, there are time lines involved, but the public have no chance, other than through elected members such as myself, to be able to stand up and say publicly, "Look, this document presents an acceptable resolution to this problem."

The last comment I will make on conservation authorities has to do with my favourite subject. I brought this up in my opening statement.

The minister is very much aware that we are going to talk about small water power development in southern Ontario. Conservation authorities now control most of those power sites, with the exception of those that are privately owned. Even among those that are privately owned, conservation authorities do make comment on any proposal to redevelop sites. Whether they legally have that right is something that is open to a good healthy court case at some point.

10:10 p.m.

There are thousands of these sites across southern Ontario, and hundreds of them that are still privately owned carry with them either a patent water right or an occupied water privilege. Under the Lakes and Rivers Improvement Act

they are given some protection, but conservation authorities tend to be negative when it comes to the development of small water power. It is really a conundrum to me that they do, because Ontario, you must remember, had its economic base in hydraulic power. If we had not had water power at the time we did, Ontario would not have become the industrial heartland of Canada.

Here it is, and it is still here. It never changes; it never goes away. Sometimes rivers get bigger and smaller, I suppose, with the amount of forest cover that surrounds the watershed, but basically all the rivers are still in place.

My colleague, the member for Haldimand-Norfolk, spoke about the Caledonia dam. I am very familiar with that and the power that was generated there in years past. Since then the conservation authority has taken control of that area.

What has tended to happen, at least in the little research I have been able to do, is that when a conservation authority has been prodded to take some sort of look at some of these, there has been no consideration given to the possibility of entering into some sort of co-operative agreement with a private developer. Rather, a study will be done and an engineering firm will be engaged. The engineering firm will produce its study, whose figures are entirely open to debate. Comments are made about the use of those water impoundments which are in conflict with the water power.

That is why I have said to the minister on so many occasions, "You have to put a definitive statement into your land use guidelines in order to say to those conservation authorities and those district offices that these water power sites shall be protected."

It is easy to say that for aesthetic reasons we would not consider redevelopment of this because we want to lower the water level in the fall and not raise it until after the ice goes out in the spring; we are not going to consider it and it will not produce enough to be economic.

I took on one particular site as a challenge and pointed out some of the inadequacies of those kinds of comments. They have no basis in sound water management. All they do is provide an excuse to the conservation authority to say, "We do not want to bother with that any more." That is all it is, just an easy excuse and an easy way out.

We may not consider that important in the days of the Darlington and Pickering nuclear plants and so on, but I think the minister will agree with me that the renewable resource component of this province is the most important energy form we

have, whatever renewable resource it is. Water power is the first renewable resource. If we cannot come to terms with our water power, however big or small, we will never come to terms with any of the other renewable resources.

The technology is the most highly developed. It is the most reliable. It is the one that stands the best chance of serving Ontario, certainly in the immediate future. There have been eight years of frustration. Sometimes a few bright lights shine over the years in this place.

Mr. G. I. Miller: It has been nine years.

Mr. J. A. Reed: Yes, it has been nine years, as of this year. The fact is, the wheels of progress are at a virtual stop when it comes to this kind of consideration. They are at a stop with the Ministry of Energy, because they will not say to Ontario Hydro or to themselves, "We will take water power on as a conservation effort." That is what it is.

I should point out that it is conservation at its finest. People who have environmental considerations very often look on water power as a conflict with sound environmental practices when, in fact, they are complementary in most cases.

Your conservation authorities do not seem to have the kind of direction which says to them, "Listen, these things have to be protected." The people who want to do the redevelopment, even if they own it privately, should be encouraged to do it.

What is happening now is that the initial response is "No." Then it requires somebody to face the bureaucracy, generally from a legal base, and say, "This is what I feel is right, so sue me." That is wrong. That does not enhance the spirit of co-operation between government and private citizens.

Those are my comments on conservation authorities. I know that some of them are repeat performances so far as you are concerned, but the reason I repeated them is because they are still important.

Mr. G. I. Miller: Is there only one hydro site developed by the conservation authorities, the one at Guelph?

Mr. J. A. Reed: Yes, but you see the problem with the Guelph dam site is that it was costed in on a long dollar, on the Queen's bounty. As a result, it may never pay for itself. It is a great demonstration unit and you can go and see a great machine. It is a beautiful piece of engineering.

I know Dave de Montmorency, with S. B. Galt Energy Systems, so I will put in a plug for him on record in Hansard right now. He developed an

advanced Kaplan turbine there and it is good to see, but it does not come to terms with the true economics of small water power. That will never be fully resolved until private enterprise is allowed and encouraged to do it.

I know that. I speak from a point of view of very minor experience, as one person who has done it. It will never gain a foothold as long as Ontario Hydro's design director can come into these committees and say: "Well, you know hydraulic power is not economic any more. Look at the Guelph dam." That is the kind of thing that goes on.

It is unfortunate, but true, that all of us here in this Legislature are amateurs in our own way, one way or the other. Not all of us have expertise in technical matters. As a result, when an expert of that stature can come in and use some of the costs the Ministry of Energy has injected into these demonstration units, the story is all told and we pack our bags and humbly head for the hills, once again.

But that is not the story and it is not the truth. The truth is that these are demonstration units. That is all they are. They should not, in any way, be tied to the cost of installing them for purposes of arriving at the true cost.

Hon. Mr. Pope: The Taylor committee report first. My feeling at this point is that I would not lightly disregard the recommendations. I have already indicated to the Legislature on two to three generalized subjects that we are moving ahead, irrespective of the reaction, and there has been some; that is on the one-in-100, and, second, on the way in which conservation authorities carry on their dealings with the public. Irrespective of the reaction from the conservation authorities or municipalities, we will be proceeding.

The third item relates to the role of the conservation authorities versus the municipalities in planning matters. My understanding from Mr. Taylor is that he was trying to distinguish between administrative and policy decision-making as it related to planning. That distinction has not come through in some of the reaction.

10:20 p.m.

Conservation authorities have been meeting with municipalities. There are municipal representatives on conservation authorities. I do not think there is anything wrong with that.

I think there is something wrong with my ministry staff getting involved in promoting a certain kind of reaction to the Taylor committee. We have issued directives that they not get involved. In one instance we heard that one of

our officials might have been involved in the meeting and we said, in writing, that was not to happen.

As I indicated earlier, rather than immediately rejecting the Taylor committee report I intend to ask the municipalities to consider having a public meeting on the matter in their municipalities before they finalize their reply. That way, it will provide an opportunity for members of the public to provide some advice to council.

I do not think I can go too much further with respect to dictating how municipalities should deal with these issues other than to suggest that might be appropriate. I think there is mixed reaction coming in. Initially it was negative, but now there has been some reaction coming in in favour of the Taylor report. I am happy to see that the situation is not as much of a problem as I originally feared when you made your initial comments. We have to give it a little more time before we finalize any reaction to that third planning aspect.

As I indicated in St. Catharines, when Mr. Bradley was there—I think he had to leave before I answered that question—one of the items that has to be definitely addressed by the Ministry of Natural Resources is the financial implications if you roll over policy decision-making to the municipal level. I indicated in St. Catharines that we would address the policy implication. I said that because I did not want municipalities rejecting Taylor simply on financial grounds. I understand that was reported throughout the Niagara region. Whether or not it got beyond there, we will have to see.

Regarding energy, I agree with you in principle. Sometimes it has not worked out that way. I would like to defer replying in any more detail until tomorrow morning. I have one item I have to check in my own files before I reply to the energy issue.

Mr. Villeneuve: As I look around the room, I think I am the only member of this committee tonight who is from east of the spot where we are gathered. I want to go on record as saying that we in Ontario east have a super network of conservation authorities and provincial parks. As opposed to some other members who go on and describe them, I will simply say I would welcome all members of this committee to visit east Ontario some time in the summer.

We will have tall ships passing in the St. Lawrence River and Lake St. Francis, we will have the royal yacht Britannia, and we will have a number of other things.

There is a concern about the way the federal government has handled these eastern Ontario subsidiary agreements. In their wisdom or otherwise, they have decided not to provide funding for drainage—the one third funding which had been traditional over a number of years.

Quite a number of the municipal drains we now have not only serve to drain farm land. They also have built into them some water conservation functions. Some of these are in the form of weirs and other constructions within municipal drains. As it now stands, farmers have to pay not only for drainage but for water conservation on a two-thirds basis.

I feel this is not fair when coupled with the removal of the one-third federal grant which had been forthcoming to that portion designated as eastern Ontario, which still requires drainage. I would like your ministry to give some consideration to those municipal drains which have some built-in water conservation functions.

That may well be addressed at present. The Ontario Ministry of Agriculture and Food does provide one-third funding, and I would certainly like to see some involvement by conservation authorities or by the Ministry of Natural Resources in alleviating some of that cost, which I do not feel is fair when it is being borne strictly by agriculture.

Another small matter involves the South Nation River Conservation Authority. From time to time, the town of Crysler gets hit with a little more water than it would like. I would like some comments from you, minister, vis-à-vis the Crysler dike. I understand that it is close to fruition. For my own sake, and for the sake of those people who will possibly be inquiring of me, would you please comment on just where it sits, and what the funding looks like?

Hon. Mr. Pope: On the first item, I think I will be meeting Mr. Lumley of Chesterville in about 10 days. One of the issues I intend to raise with him is his interest, and my interest, in eastern Ontario projects.

He has an interest in some projects that can go ahead only with Ministry of Natural Resources involvement; we have an interest in some projects that can proceed only with his involvement. Drainage is one of those.

We are aware that there have been unfortunate circumstances that led to there not being as much funding as anticipated, although there is some dispute—there is a selection of major projects, and some others did not proceed.

I can promise you that I will raise it with Mr. Lumley in the context of some other things we are trying to do with him, to see if we can improve the situation. I cannot, in general terms, hold out hope for Ministry of Natural Resources involvement in the funding of agricultural and municipal drains, unless we get a clear consensus in Natural Resources as to conservation involvement in the planning of those drains.

Somehow, we have to have the Lakes and Rivers Improvement Act dovetailed in with the Drainage Act. There has to be a set process where all interested parties can get involved at an early stage to have their say, to arrive at a consensus.

If that consensus were there—if we could give some effect to concerns over fish and game habitat, water quality, and water quantity issues, a number of things for which I have responsibility—I think that might open the door to more involvement throughout the whole municipal and farm draining process by MNR, financial and otherwise.

It is something we have been working on with Agriculture and Food for some time—about a year, as a matter of fact—and we think we are making progress.

You asked me about the Crysler dike. The 1984 cost is \$300,000 to be spent this year, and the grant under the conservation authorities budget is \$255,000 for support of that project.

As I say, it is current for funding this year. We anticipate that it will proceed. During the course of the year, the contracts will be called. The final design will be worked out, and they will get into the actual project probably by late summer or early fall. That is what we are hoping for. We want to push it this year because we made the commitment last year.

Mr. Villeneuve: Thank you, minister. Those are good bits of information. I wish you luck with the Honourable Ed Lumley. He being my elected federal member of Parliament, I have been speaking to him, but seemingly not getting through, and I wish you well with him.

Mr. G. I. Miller: I think that municipal draining principle applies across Ontario. It is very important to agriculture. It really implies input from your ministry and has a great effect on general drainage.

Hon. Mr. Pope: You are probably aware of the Mariposa draining problem, and how a number of parties, including the Ontario Federation of Agriculture and the Ontario Federation of Anglers and Hunters, got involved in it, on opposite sides. At one point both sides were

going to take different ministries of the government to court.

Mr. G. I. Miller: You would earn a medal for playing an important role.

Mr. McGuigan: Minister, you might be interested that I have been telling Dennis Timbrell for two or three years now that the Drainage Act should be reviewed. It is really too narrow in its focus.

Hon. Mr. Pope: Believe me I am no expert on the Drainage Act, but I gather the problem is that once the engineering design is set, that is it; the process rolls along automatically, and if there has been no communication before that stage is completed, there is just no way you can get into the process and have your say. That leads to some frustrations because no one knew it was coming.

Mr. McGuigan: That really does not address anything other than pure drainage.

Hon. Mr. Pope: Yes.

Mr. McGuigan: It was all right when it was written, but we now have a wider focus.

Hon. Mr. Pope: We have had a number of meetings at the staff level, and I met with Mr. Timbrell on two occasions. I have also had him meet some other groups who have some contrary interests in the Drainage Act, so they could explain to him their points of view.

Mr. Chairman: Committee members, it is after 10:30. I have Mr. McGuigan down as the next speaker. If you could join us at nine o'clock in the morning, we will proceed with this vote.

Mr. McGuigan: I will be here.

Mr. J. A. Reed: I hope you do get here, because it is one terrible drive at that time of day. The last two days I have been coming in it took me an hour and half to do what I usually do in 45 minutes.

Mr. Chairman: Ridiculous.

Okay, nine o'clock in the morning, gentlemen.

The committee adjourned at 10:32 p.m.

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No. R-13

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Natural Resources



Fourth Session, 32nd Parliament
Wednesday, June 6, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 6, 1984

The committee met at 9:05 a.m. in room 228.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (concluded)

On vote 2602, lands and waters program; item 1, conservation authorities and water management:

Mr. Chairman: I see a quorum. Mr. McGuigan.

Mr. McGuigan: Mr. Chairman, I appreciate the people who are here all bright and early at nine o'clock.

I wanted to talk about conservation and the conservation authorities, although I am talking mainly about the broad subject of conservation. I am going to have to give you a bit of background, if you will bear with me.

I really want to do this not so much for the record but for the minister so he can get a different perspective. I am really talking about agricultural conservation and the conservation of soils. You may wonder why I am bringing that up in the Ministry of Natural Resources estimates, but I want to clarify the role of your ministry and the Ministry of Agriculture and Food in the matter of soil conservation.

To step back a bit and put this into context, the real push for soil conservation came in the 1930s. Some things were happening in the Mississippi Valley, and the US soil conservation authority began about 1937. There was a parallel to that US movement here in Ontario and in Canada, but it pretty much died out during the war. Pressure for producing agricultural products put it into the background.

Immediately after the war, the whole agricultural picture changed. It went from an organic system where you had farm manures, and clover crops which stored nitrogen out of the air. They were grown really for their nitrogen content. Side benefits accrued to the soil with the ploughing under of those crops and so on.

After the war, we suddenly had a large supply of chemical nitrogen, which was really a byproduct of the war. The explosives used in the war were made with a nitrogen base, and all these nitrogen plants were built immediately after the war. We had put aside getting nitrogen through

natural means. We took it out of the air through chemical and electrical synthesis.

That led to downgrading of soil and all those aspects of soil conservation that we had known in the past. I am sure the member for Elgin (Mr. McNeil) who graduated from the Ontario Agricultural College a little bit earlier even than I did would remember that.

Mr. J. A. Reed: How is that possible? Was there an Ontario Agricultural College then?

Mr. McGuigan: The place started in 1874.

Interjection: That is what he means.

Mr. McNeil: I missed that.

Mr. McGuigan: I said that you graduated a little bit earlier than I did. Not very much, but a little bit earlier.

Mr. McNeil: That is right. I was very young.

Mr. McGuigan: There was almost a religion among the scientists then. You looked after your land and your land looked after you. Following the Second World War, that was all put aside.

A lot of young, keen scientists came in and said more or less: "Forget all of that. Use this new chemical technology. If in the end there are any problems with your soil, do not worry, technology will take care of it."

Just as we have done in so many areas of pollution and using up other resources, we all said, "Do not worry, technology will take care of it." We are now bearing the fruits of that, because in southwestern Ontario we have gone largely to a monoculture system, corn year after year, more corn and soybeans, more corn and wheat, more corn and a number of cash crops, cucumbers, tobacco and those sorts of things.

I started hollering about this shortly after I came into this job, but now a lot of people are really seeing the results in southwestern Ontario. The Ontario Institute of Pedology put out a report about the dollar value of the loss. We are not talking about soil loss; we are talking about chemicals that are in the soil, the pesticides and the herbicides for weed killing and so forth. The dollar loss in southwestern Ontario is \$44 per hectare according to one report and \$45 per hectare according to another report, and that comes to something like \$20 an acre just in chemicals that are lost, setting aside altogether the value of that topsoil.

It is now being recognized. I think at this point I want to pay tribute to your ministry and the conservation authorities who, all through that period from the Second World War until now, more or less took up the conservation ethic and kept it alive through those years. They were looking at different things. They were really looking at trying to preserve the animals, birds and quality of the water, but they kept that ethic alive, so there are people you can turn to and there is a philosophy of conservation.

I have quarrelled with the Ministry of Agriculture and Food because it is my feeling, and I think other people support me, that these people who were telling the farmer, "Pour on the fertilizer. Specialize. Take out your fence rows. Get bigger. Go to the monoculture system and have high yields," should also carry the burden on their shoulders of also saying to the farmer, "But do not destroy your farm in the process."

I think a lot of those scientists who came in after the Second World War built their careers on high yields. At the same time a lot of things came together. Big equipment became available. Hybrid corn became available, which raised the potential. Prior to that time, we had open pollinated varieties and 60 bushels was a good crop of corn, you will recall, Ron. A farmer today in southwestern Ontario who has 120 bushels would, in most cases, feel he had a crop failure. Farmers are shooting for, and getting, yields of 175 bushels per acre in many cases.

They are running an experiment at Ridgetown College of Agricultural Technology to see what the real potential is. They ran an experiment, but it is a continuing experiment, and two years ago they hit 255 bushels per acre. They say the theoretical potential is 600. That is all very well and fine, but what happens to the soil in the meantime if it is not sustainable?

I think there is a realization on the part of agriculture that they have to move back and be the number one force.

One other thing I want to put on the record is that during my discourses with the Minister of Agriculture and Food (Mr. Timbrell) in committee, I had brought up this point that we want those people who are advising farmers on high yields to be the same people who are advising them not to ruin their farms. The point was brought up that you have the conservation authority people carrying that message. I said the farmer sees those people as bird watchers.

I did not mean to denigrate those people, because I realize the job they have done. I got a letter back from one of them who was under-

standably quite upset. When I replied to him and told him what my intentions were he seemed satisfied with it.

I want to make the point that the farmer looks to the people in the Ministry of Agriculture and Food as the people who solve his problems—economics, agronomy, insects, diseases or whatever problems he has. They should carry the whole ball.

This is leading me to a meeting I attended on May 1, 1984, in Guelph. It was the standing Senate committee on agriculture, fisheries and forestry. Dr. Robert McLaughlin, director of the plant industry branch, Guelph Agriculture Centre, Ministry of Agriculture and Food, said—and this is from the transcript:

"The clarification of roles, in essence, is sitting with the CCRD—the cabinet committee on resource development—"but the ministers have not met and therefore the roles have not officially been clarified. Most of the ministries are operating on the assumption that they are.

"In essence, the Ministry of Agriculture and Food will be the lead agency for erosion control and soil management on agricultural land. The Ministry of the Environment will be responsible for the monitoring of soil erosion both on agricultural land and in stream banks, watercourses, and so on. The Ministry of Natural Resources will be responsible for things like stream bank erosion, stream rehabilitation, and anything that is not on agricultural land.

"The conservation authorities, in essence, have been playing a very active role in this area, and in some cases are the agencies that front for the Ministry of Natural Resources. They will probably be doing the stream bank rehabilitation in some areas as a transfer of funds in Natural Resources. Possibly, in some areas, they could be doing some agricultural land in conjunction with OMAF as a lead agency.

"The Ministry of Agriculture and Food will be responsible for soil management on agricultural land. The Ministry of the Environment will be responsible for monitoring. The Ministry of Natural Resources will be responsible for watercourses. I should also mention that the Ministry of Agriculture and Food will be responsible for erosion control in the municipal drains, which comes under the Drainage Act."

This is leading up to seeing whether or not the minister agrees with Dr. McLaughlin's concept of how this thing is going to be handled?

Hon. Mr. Pope: Yes.

Mr. McGuigan: Has the CCRD officially endorsed this program?

Hon. Mr. Pope: I do not have any problems with that. We do agree, but I do not know—I have not seen the CCRD minutes—if it has dealt fully with this program. I think we are all more aware of this program.

I would not want to leave the impression, which might have been left last night, that conservation authorities were not totally involved.

Mr. McGuigan: Rondeau Bay would be a good example.

9:20 a.m.

Hon. Mr. Pope: Yes. There is no doubt that we have been downplaying the recreational and educational aspects of the conservation authority programs.

As we clear up some of the technical problems, there is no doubt that some of the budget moneys will be going towards soil erosion problems. It does not necessarily, though, involve all the shores of the Great Lakes at this time, because that determination has to be made. I think, however, that what you have laid out reflects the way we are trying to go.

Mr. McGuigan: I am glad to hear that. There is one further little bit of explanation, mostly for your own benefit.

I think the Ministry of Agriculture and Food has quite rightly said in the past that the way to control soil erosion was through drainage. The theory is that, with tile drainage in place, it keeps the free water down in the soil, keeping it all drained away from the under-drainage. When the rain comes, the soil will accept the rain. It will infiltrate some of the soil and wash off the surface.

You have to go through the whole report to get the whole story. However, Vern Spencer, who is with the Ministry of Agriculture and Food, admitted that when you bring in drainage, you open up that land for monoculture. Previously, the farmer always had a wet field which he left to pasture, or he had years when he would not grow a cash crop. It might be a really late spring and he would grow grass or something else in its place.

However, as soon as you get the drainage in so that the land can be farmed every year, you change the whole system. Spencer admitted that they really do not know whether, in the long run, tile drainage is such a wonderful thing.

We now have soils in southwestern Ontario that are starting to degrade and move. First of all comes degradation, where you lose the organic content, the binding content. That happens first. Then the soil starts to move.

Another thing happens. If you pound the subsoil down with the tractor, with constant working or a lack of deep-rooted crops, so the water does not infiltrate, it hits the top of that soil, which has lost its physical characteristics, and it simply moves off.

They are now admitting they are not so sure about what was really a religion with them, that drainage was the only thing.

Mr. J. A. Reed: As a corollary to that supplement, it brings things into question—and I think conservation authorities might pay some heed to this.

If we find, in a very few years, that farm management has to change, through a different approach to fertilization or weed control, undertaking a rebuilding of the organic base of the soil, it will mean that there will be a demand for more agricultural acreage in order to sustain the same tonnage or quantity of food.

A great fallacy that has developed in North America is that all we need to do is to increase yields on farm land in order to meet our needs, that because we appear to have lots of it at the present time, its preservation is not very important. That debate has been going around this Legislature in recent years. It attained quite a high profile in the mid-1970s, when it was quite a substantial political issue.

If you come out into a riding like mine, we are on the firing line of development. We find that the very best and finest land is going under pavement. In Peel county, which includes the riding of the Premier (Mr. Davis), it is even more severe at the present time.

A lot of it is just an accident of geography. It just happens to be in close proximity to the metropolitan area. Ours is just a little farther out, but it is starting there.

It might be interesting to note that, in terms of land quality, Halton and Peel still have more class 1 agricultural land than all of Quebec. It may very well come upon us that, within the next decade, our whole concept of production on agricultural land will change. Instead of having 100 acres to produce X amount of food, we may see that good stewardship and good management will require 125 or 150 acres. Then the agricultural land will not appear to be nearly as plentiful.

It is a concern I share with my colleague, especially one who is right on the firing line of the transition that is going on at the present time.

I do think that conservation authorities and the Ministry of Natural Resources have comments to make about that. They certainly do have the ability to comment on whether or not certain

kinds of agricultural lands, especially those in watershed drainage areas, go under pavement or whether they are preserved.

I think, in the long term, it is incredibly important. Agriculture will not continually move into more chemical application and higher production.

Hon. Mr. Pope: I might put in one final shot to that. I recently had the opportunity of addressing the governors' conference, and Governor Bond of Missouri spent a lot of time talking about the effects of intensive farm management on the water quality of the aquifers in his state, and how they were going to have to start addressing that issue in terms of how farmers dealt with their land.

He did not get into any more detail than that, but whether he was talking about what kind of yield you expected from your lands, or what fertilizer loads you allowed to be put on the land, it is obvious that they are starting to develop some sensitivity towards it.

Mr. McGuigan: There is just one little sidebar that is not talked about very much, and I talked about it earlier: the revolution of nitrogen after the Second World War, big tractors, pesticides, and so on.

Every bit of it has an oil base. All of that comes from oil. We think of ourselves as being so efficient that one person in Canada can feed 90 persons, but we do that all by virtue of using oil. The Christian Farmers Federation of Ontario has taken a really good look at this.

I listened to a lecture that came from the Calvin College at Grand Rapids, Michigan. It said that if you took all of the known oil reserves in the world, and you took all of the food supply in the world produced the way we produce it in North America—that is, on the basis of oil—all the reserves would be gone in 10 years. Food in the Third World is not produced by oil; it is produced by animal and human effort.

It said that in 10 years, all the known reserves would be eaten up. It takes 10 calories of oil to produce one calorie of the food we consume. That is just a sidebar to what we are talking about, this whole conservation ethic.

Mr. J. A. Reed: It is particularly appropriate to Ontario. Ontario does not have that quantity of nonrenewable resources. It probably gets back to my other comment last night. Its renewable resource base is Ontario's most important resource base—what we get from the sun on a daily basis.

Our philosophical approach or applied philosophy to that conservation has to be in

recognition of the renewable resource potential here, not of continually bleeding some other nonrenewable area dry because there is an end to it at some point.

9:30 a.m.

Mr. McGuigan: I could go on all morning on this. I do feel we are starting to get some place, at least in the recognition factors. It has yet to be translated into action, but I think people are starting to recognize it. I am very glad to hear what you have to say about it.

Mr. Watson: Mr. Chairman, could I have a supplementary on much the same issue Mr. McGuigan talks about? It has to do with these fence rows and land clearing and to put in a plug asking for continued emphasis from the Ministry of Natural Resources, whether it be through your own offices or through the conservation authorities, for windbreaks.

I have been very annoyed for many years with one ministry program. If an individual owns some waste land and goes into a woodland improvement agreement with, say, five acres, you people will come in and do that five acres under woodland improvement. What the people in southwestern Ontario need is simply something like 5,000 feet of straight line.

Maybe people will argue with me, but we do not need the old type of fence rows that grow weeds and everything else; we do need things to stop the wind. This spring, about a month ago, we had a day down there when I came through roads in Kent county and I literally had to turn the headlights on; I expect Norfolk was the same. The problem is more serious.

Many people have planted trees that are now showing up, and it is a good example, but we need continued emphasis on that type of program. It is an ill wind that blows no good. We had an attempt in Kent county to have a stumping bylaw put in. That created a lot of controversy and it was turned down, but the compromise was to have the county come in and help promote windbreaks.

It has to do with the conservation of land, and I know it overlaps with forestry, but please continue to adopt it. I suggest it is important in southwestern Ontario to plant trees in a straight line along a fence row. The ministry should give as much emphasis to doing that, and put as much effort into seeing that those are done for windbreak purposes, as it is in planting some areas under woodland improvement.

I do not want to take away from woodland improvement. I just think your ministry puts a lot of time and effort into it. From the overall

standpoint of conservation in Ontario, it would be better if we were putting these windbreaks in.

Mr. McGuigan: I was driving on Highway 401 that day you were speaking of, about a month ago, and it was not just in Kent county you had that problem.

Mr. Chairman: Was that a Monday?

Mr. Watson: It was a Monday that I came back; I came up through Chatham township. We had a couple of them, but that was the really big one.

Mr. McGuigan: Right through, as soon as we got far enough away from Toronto to get out into cultivation, the land was moving.

Mr. Chairman: It was windy in Toronto. In my apartment, which is on the 27th floor, my swag lamp was swaying.

Mr. Watson: You have swag lamps? Do you want to describe what else you have at your apartment?

Mr. J. A. Reed: Pretty extravagant living, is it not?

Mr. Chairman: That night I thought I might not be living there much longer.

I have an item that I would like to bring up from the chair, if I might, and perhaps you could get back to me on it, Minister.

Back in the latter quarter of last year you received a letter from Laugalys Management Consultants regarding Fisherman's Lake, which is in Wellington county. Mr. Laugalys has a concern, as do all the cottage owners along there. The lake perhaps—I am a poor judge of acreage—is 200 or 300 or 400 acres; I do not know how big it is. They use it a lot for recreation and there are a lot of cottages there. It is used primarily by people from Wellington and Waterloo counties.

His concern is the nutrients that are lying in the bottom of that lake; he feels it is a dying lake. He had consultations with your Cambridge district office, but he still feels there is something that could be done with that lake very inexpensively, at least to find out what the problem is, perhaps to the extent of hiring a student in the summer to do some pumping in the lake and work with a geologist to determine the seriousness of the problem.

I will not ask any questions now, because I know you have nothing on this in your files right to hand, but I can give you further information if you would like to check into it and see what the status is between the Cambridge district office and Mr. Laugalys.

Mr. J. A. Reed: Is your problem one of nutrient pollution?

Mr. Chairman: I am told that is what it is. I am not an expert in this by any stretch of the imagination.

Mr. J. A. Reed: I can tell you that some progress has been made in municipal sewage plants and in outlawing the general use of phosphates. This has made a distinct difference in river quality as a result of nutrient pollution.

Agricultural nutrient pollution is a more insidious problem. There is no question about it. It gets us back to this long-term management approach and how we deal with it in the future. My own notion is that we will have to adopt different management practices in years to come. We cannot just keep pouring the stuff off.

The minister talks about one state in the United States and our experience with degradable water table quality. That is a very real problem. Countering it can have a positive effect. In the Credit River, for instance, when phosphates were allowed and were going through sewage plants, the grass growing on the bottom of the river sometimes was four and five feet in length by midsummer. It was a moss bed. That river runs quite quickly. The river course is fast.

Today, it is quite markedly reduced. There is still a little, and it is not perfect yet by any means, but certainly it can be reversed.

Vote 2602 agreed to.

On vote 2603:

Mr. Lane: Mr. Chairman, I have a number of matters I wish to discuss with the minister on this vote. The one thing I am concerned about is commercial fishing quotas that are being established.

I understand the initial licences were picked up some time during the winter months, and unless it happened very recently, the new licences have not yet been delivered. In the meantime, the commercial fishermen are at a loss to know what to do. They have a slip of paper that says, "This is what your quota is going to be."

I was in Killarney a few weeks ago and one chap approached me and said, "My quota for yellow perch is 26 pounds." I can see not having any quota at all, but for a commercial fisherman I cannot see it being 26 pounds. He has set his nets once and got 22 pounds in the first setting along with other fish. He said, "I cannot set my nets again now because there are only four pounds left in my quota."

Hon. Mr. Pope: What is his name?

Mr. Lane: I would have to look it up.

Hon. Mr. Pope: He is operating out of where?

Mr. Lane: Killarney. There is another gentleman. I did not see—

Hon. Mr. Pope: Excuse me. Did the north shore of Lake Huron get the spread chart okay? Okay.

9:40 a.m.

Mr. Lane: There is another chap. I did not see the letter, but he said he had only a 14-pound quota for perch. As I said, I can see there being no quota at all, but for a commercial fisherman I cannot see 26 or 14 pounds.

In that case, I looked at the letter and he said, "What will I do?" I said, "If I were you, I would keep on fishing because that is your livelihood, and you cannot appeal a letter because it is not a legal document. There is no signature, and there is no contract and no quota, really. It is just something typed on a letter."

From recent conversations with your staff in Sudbury, I understand a field tribunal has been set up and anybody not satisfied with a quota can appeal it. The question I will ask you is, while that appeal is being dealt with, can that fisherman continue to fish for a livelihood? That is what these people depend on for their income.

Hon. Mr. Pope: Perhaps I could read some numbers to you, because they are important. You talked about yellow perch. We are talking of the North Channel quota assignment. It is important that we read these numbers into the record. It will take only a second.

The quota assignment was 122,000 pounds of yellow perch for the commercial fishermen in the North Channel. Last year they reported a catch of 83,605 pounds. In 1982 they reported a catch of 39,153 pounds; in 1981, 113,206 pounds; in 1980, 17,247 pounds; in 1979, 64,220 pounds; in 1978, 28,587 pounds; and in 1977, 58,932 pounds. In 1976, the only year they exceeded the quota, it was 163,200 pounds.

All I can tell you is that the quota far exceeds what they have harvested over the last decade. That is true with virtually every species for which we assigned quotas. The quota was in excess of their history of catches, and that goes for every one of the Great Lakes.

If there are individual allocation problems that commercial fishermen claim make it impossible for them to earn a livelihood, the only conclusion I can come to is that they were not earning a livelihood before from commercial fishing, in a group. There may be some individual problems. The quota review committee structure is such that the Ontario Council of Commercial Fisheries selects one member of a review committee, we select one member and both parties agree to a

third person. The three-man panel hears all the appeals from the initial quotas.

Under the old system, if you did not agree with the terms on your licence, you could not use it. Therefore, you could not fish until you had your appeal heard. We worked out a deal with the Ontario Council of Commercial Fisheries whereby those people would be allowed to use the quota assigned to them and fish even though the terms of the licence had not been settled. I cannot say we have a policy by which you can go ahead and fish as you please, pending your appeal.

If I knew the name of the person—

Mr. Lane: I can get the name.

Hon. Mr. Pope: There were 122,000 pounds assigned, and last year they caught 83,000.

Mr. Lane: It is one thing to say to the guy, "You cannot catch any yellow perch," but I cannot see a letter that is a forerunner to a licence saying, "You can catch only 26 pounds of perch this year," because that does not make any sense to me as a commercial fisherman. I might catch that much just off the hook and line.

It seems to me that numbers were thrown into a hat and divided by whatever number of commercial fishermen there are. How was it allocated? Was it the best four years out of seven?

Hon. Mr. Pope: No. We took the total fishing history over the past 10 years to establish the lake-wide quota. To allocate out, we took the best three of seven years up to 1980.

In March 1981, every commercial fisherman got a letter from Jim Auld, saying: "Do not gear up any more. We are going with individual quotas under a modernization program." They all received a letter by registered mail. Anyone who geared up after March 1981 knew the risk he was taking. Some of them are going to get caught.

It was clear that we were going into modernization. The issue had been discussed since 1979. It was clear that individual quotas were the most important principle we were going with. If someone bought an extra boat in 1982 or 1983, or someone decided to take a run at the resource in the meantime, that was his decision to make. In retrospect, it was probably a poor decision. However, in terms of individuals, we take their fishing history.

Mr. Lane: I understand why you are doing this, and I think the end results will be good. However, I have the feeling that there is going to be some turmoil in the meantime.

It is difficult for a commercial fisherman. He has several species he can catch. If yellow perch happens to be one that is very limited, and from

the first set he gets his full catch for the season, how is he going to fish for the rest of the season? He is going to catch some yellow perch every time he sets his nets. He probably has lots of quota for whitefish, or whatever, but he feels he cannot go beyond X pounds with a certain species. What is he going to do with them?

Hon. Mr. Pope: The Ontario Council of Commercial Fisheries initially agreed to an incidental catch system that would see any excess catch turned over to an independent party. The proceeds from the sale would be used on projects, including projects involving commercial fishermen, which are mutually agreed upon by the sports fishing fraternity and the commercial fishing industry.

Since then, the Ontario council does not seem to be as anxious to participate in this incidental catch program. The reality is that until we have an incidental catch program with which the commercial fishermen are prepared to co-operate, they are going to have to turn the fish back into the lake dead. I think that is a waste of a resource.

Mr. Lane: I think so too.

Hon. Mr. Pope: That is why I suggested the incidental catch program. However, I have these guys' reported catches for the last decade. If they claim they did not report their catches correctly to the Ministry of Natural Resources, as they were obliged to do under the law, I do not know how I can help them.

On each species, we allocate out according to its reported catch history. On virtually every species, the quota assigned to the North Channel and to Lake Huron is in excess of what they have ever caught before.

Except for 1976, with yellow perch and whitefish, the quota was 395,000 pounds. The only time they ever exceeded that was last year. Previous to that, the best year had a catch of 263,000 pounds. They are always around 170,000, 180,000 or 190,000 pounds. We have given them 395,000 pounds under this program.

For northern pike, the most they have ever caught is 29,000 pounds, and we assigned them 35,700 pounds. With sturgeon, the most they have ever reported catching is 9,000 pounds in 1980; we have assigned them 11,300 pounds. For yellow pickerel, the most they ever caught was 43,477 pounds back in 1979; we have allocated them 42,300 pounds.

9:50 a.m.

Mr. Lane: It would seem the total allocation is sufficient. I guess the problem is with individual

situations now. I would have some difficulty thinking in terms of yellow perch being an incidental catch, when they are normally caught with whitefish and other commercial fish.

I can see something like trout being an incidental catch because normally commercial fishermen are not out in those areas. However, in areas where there are whitefish and there are also perch, I really have some difficulty in assuming that any perch caught in those regular areas is an incidental catch. I think the incidental catch is a good idea because that keeps the commercial fishermen out of the trout-spawning areas where we would not want to disturb those fish. Therefore, turning those back would not be too much trouble.

However, to turn back X number of pounds of yellow perch every time they put up their nets would be a pretty expensive proposition for the commercial fishermen, and to throw back the dead fish in the lake would be a complete waste of a resource.

Hon. Mr. Pope: Yes, but when the argument is advanced that they should not be throwing back the fish dead but should keep them, we get whipsawed. They get white bass, pickerel and perch and then claim every species they harvest. One would never win. It would not matter what the quota was in one species. They would claim they would catch more of another species because they were fishing for that particular species for which we had assigned quotas.

The end result cannot be a wide open fishing system where any incidental catch can be caught. Then we would have an uncontrolled fishery again. This is why we have to solve the problem with some sort of incidental catch program. We are hoping the commercial fishermen, with whom I am meeting in the next week, and the Ontario Council of Commercial Fisheries will get back into that program.

Mr. Lane: I had hoped some arrangement could be worked out whereby these people could continue fishing while the review is going on. I assume there will be a lot of reviews and there will be likely a backlog.

Hon. Mr. Pope: I think the Lake Erie committees have virtually finished their work. They have a few more to do in your area and then they are finished. I think Lake Huron is about three quarters of the way through its work. Our letters from the office started to go out last week. We can churn it out in a turnaround time of about a week and a half to two weeks. The quota committee has made some adjustments.

Mr. Lane: Did you say this is a three-man committee made up of at least one from the fishermen's association and one from your ministry?

Hon. Mr. Pope: Yes, one from the association, one from the ministry and one mutually agreed upon by both sides. The other thing is that they have as criteria for the decision-making not only the state of the fishing resource and the need to have a long-term preservation of commercial fishing opportunities, but also an equally important principle to be considered, which is the economic viability of the commercial fishermen they are dealing with.

In the course of their reviews, they have looked at financial statements, costs and projected revenues from the quotas assigned to the commercial fishermen. Some of the recommendations I have read have dealt with the issue of whether or not this fellow can make a living out of it. They have looked at income levels and gross revenue levels in making that assessment and recommendations.

Therefore, we are looking not only at the concerns of the Ministry of Natural Resources over the fish resource, but also the industry concern of whether or not one can make a living at it.

Mr. Lane: There are a couple of other problems related to the quota system. One particular chap, who is a small operator at one time had seven licences in the North Channel. He also had some rights in Lake Huron. Basically, he has been using his Lake Huron rights and not exercising any great amount of fishing in the North Channel.

However, he tells me whitefish come and go. There are certain times one can get these fish in one place and certain times one can get them in another. He feels he will get a quota for Lake Huron, but the seven licences he had for the North Channel will probably be taken away from him. If that is the case, he feels he cannot pick and choose where the most viable place is to fish, even though he had the right to do that over the years.

Hon. Mr. Pope: That is right; he cannot. We gave him a chance by taking seven years and then taking the best three of seven in both areas. If in the last seven years, he has not fished his North Channel licences, he is going to get a reduced quota. If we do not do it that way, we will have people fishing where they please. There could be a sudden run on the west end of Lake Erie from the east end and from the southern part of Lake Huron that would be really devastating to that

resource because there was not a planned harvest system.

If the resource increases because of natural reproduction, we can always increase the quota levels and the people working in the areas, but if we allow a wide open system of transfer from area to area, from people who hold licences in both areas, we are not going to be able to control it.

What we have done in some circumstances, within areas such as the North Channel or Lake Huron, where a couple of licences have been held—one has been fished heavily, while the other has not—is allow a one-time adjustment at the front end, as between the licences, to make boats economically viable. However, we do not allow a transfer between zones because to do that would frustrate what we are trying to do.

Mr. Lane: So this chap, who has licences for both Lake Huron and the North Channel, but has been basically using Lake Huron, may not have a licence for the North Channel any longer?

Hon. Mr. Pope: If he has not fished the North Channel for seven years, which is what it would have to be in order for it not to show up—

Mr. Lane: He has not fished it at all.

Hon. Mr. Pope: If he has not fished it at all for seven years, then he would still have his licence, but he would have a very small quota assigned to him. The licence would be a very low quota one.

Mr. Lane: There was another thing brought up by a fisherman in my area—Mr. Purvis, whom you know—concerning the imaginary lines in the water. It says one can fish from here to here and from here to here. He thinks you should let all the five or six people who have a licence fish wherever there are fish, because sometimes there are no fish in certain areas.

Hon. Mr. Pope: All the commercial fishermen in your area other than Mr. Purvis disagree with that.

Mr. Lane: Is that right?

Hon. Mr. Pope: Yes.

Mr. Lane: He tells me these imaginary lines will have to go.

Hon. Mr. Pope: That is one of the things we looked at. We thought there would be too many problems between small, independent operators and some of the larger operators if we wiped out some of those boundaries. It would be another issue we did not need.

Mr. Lane: His argument is that if he is supposed to fish between these two lines—and for some reason the whitefish have moved out—he is

wasting his time. He is completely depleting the resources of that area. However, if he can move into an area where they are, they would eventually come back to the original area.

Hon. Mr. Pope: Biologists would agree with him with regard to a fishing season. They would disagree with him in terms of an ongoing harvest year after year.

There is no doubt that there is some movement of fish stock around a body of water, but it tends to be a regular, seasonal migration. Some of the calculation of quota is based on some of that knowledge. Our biologists would disagree that there is likely to be a permanent movement of indigenous fish stock from one region to another region entirely. It is very unlikely.

Mr. Lane: Over the years we have done a lot of talking about a resident licence to help offset the cost of restocking and so forth. We have never done that for various reasons.

It is pretty aggravating for the chap who goes out with his kid once or twice a year to have to get a licence. It is no problem for the fellow who goes fishing every weekend. Also, people who sell bait, boats, motors and what have you probably make more out of fishing than the fisherman does, so perhaps they should be paying for licences as well. I assume that we have more or less got away from the idea of having a local licence.

In some discussion with you over the last couple of years, you have told me there are several ways in which the various fish and game clubs can get involved in restocking. Would you like to enlarge a bit on that?

Hon. Mr. Pope: Briefly, one of the goals of the incidental catch system was to have a fund, controlled by the commercial fishermen and the sports fishing organizations, to put into stocking programs, habitat improvement and in some cases perhaps to dealings with the commercial fishermen, whether it be buyouts, expansions or whatever. This fund would be available for both parties to use. That would be one important source of money for stocking.

10 a.m.

In addition to that, the community fisheries involvement program which we started in 1982—and its budget in these estimates has been doubled to \$400,000 from \$200,000—provides money on an application basis. If a local fish and game association or tourist association wants to get involved in stocking, the construction of a hatchery, an upwelling box or stream rehabilitation, it can apply to us for capital funds to

purchase equipment, gravel, fill, fencing or materials to construct upwelling boxes and incubation boxes. Provided the association has the volunteer labour, it can proceed with the project.

The good thing about it is that the local club, and not just the Ministry of Natural Resources staff, then sets its priority, its location, and decides on the kinds of things it wants to do. It gives them more of a sense of involvement and also allows them to emphasize their local area in terms of improving the habitat.

The best example is the Sydenham Sportsmen's Association, which has six or seven projects on the community fisheries involvement program. They have gone all along the Owen Sound shoreline, in around the Wiarton and Owen Sound area, and have virtually rehabilitated every stream and river in the area. They have upwelling and incubation boxes, artificial spawning beds laid right into the natural watercourse, and a number of projects that are going to have a significant impact on the fish resources of that area.

The effects in the long term will be a better quality of fishing for club members and local residents. On top of that, because this work is being reported around North America, it is going to bring additional tourism by way of sports fishermen into the Owen Sound area because of the improved fishing. That is going to mean tourist dollars. We estimate that sports fishermen spend a couple of hundred million dollars a year around the Great Lakes.

These are visitors to our province, so we think the economy of Owen Sound, in the long term, is going to benefit from that program.

Mr. G. I. Miller: Can I ask you something on that while you are talking about Owen Sound? Did you implement the splake program four or five years ago?

Hon. Mr. Pope: Yes, in Georgian Bay.

Mr. G. I. Miller: Are you seeing some results?

Hon. Mr. Pope: In all honesty, I would have to say that our statement on the results is controversial. Sport fishermen tend to feel that splake are not the quality of fighting fish they would prefer to see. Some of them prefer salmon. They also feel that splake are okay in the shoulder season but there are other species that provide a better quality of fishing during the heavy fishing season.

We still maintain there are signs of natural reproduction, and most people sense that now.

We are continuing with the program, but we are also diversifying into other species in the area.

Mr. Lane: Just to get back to my question about the involvement of the private clubs, I assume this will be encouraged as times goes on?

Hon. Mr. Pope: Yes, and we intend to expand the community fisheries involvement program. Tourist associations in the Parry Sound area are doing a lot of stocking work with our help. The only thing we ask is that if fish are raised in hatcheries or incubation boxes, they are public property when they hit the streams and we want the right to test them for diseases before they are actually released. Those are the only two conditions. These fish are not their private property. They are a public resource that is being put back in through their efforts.

We do not want any diseased fish released, but we are going to encourage and co-operate with the clubs in getting these projects going. We have about 68 or 69 projects that have gone on in the province in the past two years. We are getting a lot of people involved.

Mr. Lane: Getting back to Mr. Miller's supplementary, the street talk is that splake are not reproducing themselves and are not likely to. I know that is questionable at this time. If that is the case, would it not seemingly be better to plant them in greater numbers of areas rather than planting greater numbers of fish in one area? If it is going to be a put-and-take fishery, perhaps we should have more opportunity to put and take than we have by planting 200,000 or 300,000 in one area. If the splake are not going to reproduce, that is the only area there is.

Hon. Mr. Pope: If it is a put-and-take fishery, I guarantee you we are not going to be at it for much longer. If we do not see provable signs of natural reproduction, we are going to go into other species.

Mr. Lane: There is one other thing I would like to bring up under this vote.

In all the years I have been here, I have been aware of the problem that coarse fish—carp, suckers, smelt—are causing in my area. They are causing problems not just for the commercial fishermen who they get them in their nets and have no market, or at least a very limited market, for them. I am told by people who study these things that when the pickerel are spawning, the suckers simply follow the pickerel and devour the spawn. I know from experience that the areas where the northern pike spawn in late April or early May are polluted by carp at this time of year. That spawn must be lost.

There are some markets in various places in the world for carp, suckers and other coarse fish, but the trouble is that the cost of shipping makes it difficult to have any revenue left.

We were experimenting with trout culture farming. I do not know whether you had the chance to visit it or not but I did on a couple of occasions last year in Killarney. They got a NORDA grant and raised trout in cages. It was very successful.

With all the water we have and all the potential to raise fish, I understand we are importing most of our trout from Idaho and elsewhere and we are getting poor quality fish as well as having to import them. For this venture we had going at Killarney last year, feed was shipped from the east coast and 60 per cent of the feed was fish meal.

I have been talking to the Minister of Industry and Trade (Mr. F. S. Miller) on this. He has promised to do some research into it. We could provide many jobs, get rid of a large number of coarse fish, feed our local markets and possibly export to countries that have no clean water. We could get into a new type of farming in the north—fish farming.

To get into regular farm production now, one has to have \$500,000 to invest in the initial stages of getting the farm and stocking it, whereas one could be a pretty big fish farmer for about \$50,000. I hope we can get more research done in that field and see how viable it would be to take our coarse fish and turn them into fish feed for trout, plus fertilizer, pet food, etc.

We could have a fairly large operation at some central point and a number of freezers around the area where the commercial fishermen are, so they could take their coarse fish and have them frozen nearby. They would have some return on them rather having to dump them back into the lake dead. We could build a fairly large export business over the years in the trout field as well as getting some people involved in fish farming in the north.

It has the potential of being a tremendous project. First, it would help sports and commercial fishing by getting rid of the coarse fish. Second, it would provide our own market with home-grown trout, which would be of better quality than what we are shipping in. Third, it is potentially a large export business. Fourth, it would provide a lot of jobs.

I hope that you, together with your colleagues, would help provide information on this. I am prepared to help in any way I can. I have already met with Mr. Miller and he is interested. He

assured me he would try to get some more facts on it.

10:10 a.m.

I think it has a tremendous future and could be of great assistance to the tourist business because it is going to improve sport fishing.

Hon. Mr. Pope: We had some discussions last year and the year before with the commercial fishermen. We indicated to them that, in the long term, we think they should look at fish farming as an additional part of their business. That will give them some diversification and a larger gross income base for their operations. We indicated we would ensure that financial incentives and capital support would be made available if they wanted to get into it.

So far we have had one or two in eastern Lake Ontario who have gone that way. In addition, last year we changed our policy in the Ministry of Natural Resources and now encourage fish farming, which is a departure from our previously expressed policy.

We are willing to sit down with anyone interested in getting into fish farming and work with him in putting together a package. We have had some approaches, unfortunately, from outside of Canada, to locate fish farms here. It is not that we disagree with them coming here and putting their capital in, but we would like to see some Canadian businessmen consider this as well.

Mr. Lane: I appreciate your comments. I had some dialogue with a chap from Germany who said: "With all of this fresh, clean, clear water in Ontario, why do you not supply us with trout? There is a tremendous market over there and our water is not sufficiently capable of raising trout."

With all the lakes and rivers we have, in northern Ontario especially, this seems to be something that could move ahead rapidly. If we could utilize the coarse fish as feed, then we are shipping to market a high-priced trout rather than a low-priced carp or sucker. We would have ready markets for the higher-priced fish but we have to find them for the lower-priced fish.

I think it has tremendous potential, and I would be interested in trying to see it move ahead.

Mr. G. I. Miller: I appreciate those comments from John Scumis in regard to that area of the Great Lakes. It really brings home a point that there is a place for commercial fishermen in maintaining fishing on the lakes like farming. If you do not take out the weeds and undergrowth, you do not have a very effective farm.

Commercial fishermen, by fishing on the Great Lakes, are in a position to do that. They take out what they are after plus some of the fish that are not conducive to good fishing on the lakes. They play an important role and the minister has recognized that.

The splake program has not turned out as well as anticipated. How much money was spent on it, for the record?

Hon. Mr. Pope: I can get it for you in a minute. I know it has been going on for some years, so we have to aggregate it.

Mr. G. I. Miller: It went through my mind, "How much money has been spent?"

To give a comparison as to what direction we should be directing our spending as far as the ministry is concerned, can you bring us up to date on the commercial fishing on Lake Erie and the problems we had? We set up the committee to review the licensing and I have not had an update since that time.

Hon. Mr. Pope: On a lake-wide basis in Lake Erie, I will read these into the record:

Yellow pickerel: the lake-wide quota this summer is four million pounds. In 1983 the reported catch was 3,284,385 pounds. In 1982 it was 2,020,833 pounds. In 1981 it was 2,000,100 pounds. In 1980 it was 1,778,116 pounds. In 1979 it was 1,195,179 pounds. In 1978 it was 588,838 pounds. In 1977 it was 529,453 pounds and in 1976 it was 253,955 pounds. That quota assignment is more than they have ever reported having caught before.

For white bass the quota is 4.4 million pounds. The reported catch in 1983 was the same, 4.4 million pounds. In 1982 it was 3,458,000 pounds. In 1981 it was 1,937,000 pounds. In 1980 it was 1,972,594 pounds. In 1979 it was 1,679,487 pounds. In 1978 it was 1,648,767 pounds. In 1977 it was 986,283 pounds. In 1976 it was 1,120,408 pounds. That quota is equal to the highest recorded catch since 1975.

For smelt, the quota assigned was 35 million pounds. Last year the reported catch was 29 million pounds. In 1982 the reported catch was 43,547,365 pounds. In 1981 it was 30,315,000 pounds. In 1980 it was 25,103,200 pounds. In 1979 it was 23,856,967 pounds. In 1978 it was 26,608,833 pounds. In 1977 it was 22,993,548 pounds. In 1976 it was 17,189,618 pounds.

In fact, recently we increased the quota for smelt in Lake Erie to around 40 million pounds. Only in 1982, when they fished over 43 million pounds, would the quota be exceeded by a natural recorded catch.

For yellow perch we assigned a quota of 9.8 million pounds.

Mr. G. I. Miller: What was that?

Hon. Mr. Pope: It was 9.8 million pounds for yellow perch. Last year they reported a catch of 5.3 million. In 1982 it was 9,186,462 pounds. In 1981 it was 8,335,000 pounds. In 1980 it was 12,608,971 pounds. In 1979 it was 12,050,722 pounds. In 1978 it was 8,805,838 pounds. In 1977 it was 8,509,755 pounds. In 1976 it was 4,645,805 pounds.

So the 9.8 million pounds quota is only exceeded by the 1979-80 catches on a lake-wide basis, but is greater than the average over the past 10 years.

On a lake-wide basis, if there is economic viability before the assignment of the quotas there is definitely economic viability after the assignment of the quotas. If you add up all those species, they have been assigned a higher total lake-wide quota than has been caught in any one year. We did that because economic viability is as great a commitment as resource use and preservation.

Our staff feels that we are not in breach of international convention with these catch levels. There may be some adjustments on a couple, up or down, as we get more data, but basically we can live with these assignments.

10:20 a.m.

Between eastern and western Lake Erie basins, there has been some reallocation of smelt versus white bass, mainly on the suggestion and agreement of the commercial fishermen involved. In some individual licences there has been a tradeoff in selection between white bass and smelt by individual licensees, again at their request.

We have allowed that to happen because some have decided to go more for smelt while others have decided to go more for white bass. It almost equalized, depending on what they were after. So we allowed some of that before their quotas were fixed for presentation to the quota review committee, and after their initial quotas were assigned to them. Some adjustment went on in the interim.

In any event, some of them have gone to quota review. That committee has been sitting, and some letters have started to go out from myself confirming or altering assigned quotas, generally agreeing with the quota review committee but not always.

Mr. G. I. Miller: Then you are saying that almost everyone is satisfied now?

Hon. Mr. Pope: I think a couple of people are going to have some financial difficulties. I maintain that any objective analysis of their financial statements, which most people involved in these reviews have done, would lead one to conclude that they were in financial difficulty in any event, and there was no possible way we could have assigned a quota to make them profitable.

Some fellows bought additional boats in 1983. Some of them just decided to gear up. Some of them undertook all sorts of debt obligations that I do not understand, quite frankly, but it was up to them to make those business decisions.

We do feel there may be a couple of fishermen, maybe even four, who are going to have some financial difficulties that we really do not feel are the results of the quota system. Others may have some slight disagreement with the final numbers, but we feel the process we have in place is a fair one. We have tried to be flexible in dealing with fishermen. We think we have removed most of the problems. But it is too soon for me to tell you that the vast majority are happy. I could not make that statement until I see all the results of the review committee, and where we end up.

Mr. G. I. Miller: Have you met with the processors themselves? I indicated to you that there was some concern with the processors, particularly in Port Dover, and specifically the Miseners Packing Co.

Hon. Mr. Pope: I think we are meeting a group next week.

Mr. G. I. Miller: As I indicated to you, they are the major packing company, with 200 employees. We certainly would not want to see them put out of business because of the lack of tools to work with in fish.

Again, I notice the poundage has been pretty liberal. It has been a concern that we discussed with you regarding the date, which was 1980. A lot of things can happen in any business in four years.

Most of the fishermen are quite pleased with the way things have worked out. Again, with a well-managed lake and industry there may even be room for growth as we go down the road, as we clean up our lakes. Lake Erie has been the backbone of freshwater fishing since time began.

In talking to the older fishermen and going back to the Siddall family—I worked on county council with Bill Siddall. He made a living off the lake all his life. He has now passed on. He said that the poundage has always held very constant but the species, of course, would vary from generation to generation. I think that may

be occurring now by the records that are coming out.

Getting back to the figures you have given, they do not seem to correspond with the statistics in the book here. Is there any explanation for that?

Hon. Mr. Pope: Are those province-wide?

Mr. G. I. Miller: No, it is the Lake Erie commercial fishing list. I do not want to make an issue of it but I notice they do not correspond. It is a guide which I like to use because it gives a five-year average. It gives an indication of what is happening on the lake.

For one who is not a specialist in the fishing industry, and I do not pretend to be, I want to make sure that as many people as possible are provided with a living off the lake. I know they are concerned about their future. They want to make sure that a living is there too and that the businesses stay alive.

We have been proud of the fact that Port Dover has been the freshwater fishing capital of the world, along with Wheatley at the west end, and we want to maintain that role. Again I want to be careful about the ones who have bought equipment, but they did have licences since 1980.

Hon. Mr. Pope: Could I just say that in the book it is in metric. It is in kilograms. You should be multiplying by 2.2.

Mr. G. I. Miller: All right. I was multiplying by two.

Hon. Mr. Pope: Also, this is the 1982 catch, reported in the 1983 report.

Mr. G. I. Miller: All right, they correspond. Thank you.

Mr. Watson: May I have a supplementary on this? What is going to be the policy with regard to these quotas that are being issued?

Suppose there are some who, for economic reasons, do not make it. Is their quota going to disappear? Is it going to go into a pool? Is it going to be saleable? How do you plan to allot new quotas in the future, if they are available? How do you plan to cut back quotas in the future if there have been more allotted than there are fish?

Hon. Mr. Pope: Our policy is that any commercial fisherman is allowed to sell his operation. Some commercial fishermen choose to do that. I presume there would be buyers around.

Mr. Watson: How are you going to prevent the fishing industry from falling into the hands of two or three biggies?

Hon. Mr. Pope: That is up to the individual commercial fishermen. One of the ways we

prevented it is by not allowing partial sale of quotas or financial arrangements where quotas are assigned over for compensation. The entire operation has to be bought.

All we can control are individual quotas. We just say, "You cannot sever off species and you cannot sever off for sale time allocations of species; you have to sell your quota, lock, stock and barrel, forever." That is the only sale we will approve.

That will certainly not put the small operators in a position of having been manoeuvred into a situation where they become dependent upon the large processors for their operations in the future or for some sort of employment arrangements in the present. That should help them.

In the longer term, the only thing we have done is say that any operation has to be offered for sale first to the commercial fishermen within the zone. That should allow for the zones to continue to have some autonomy. I think that is the best we can do.

If in the long term individual commercial fishermen are willing to be bought out by large corporations, all we can do is put these impediments in the way and hope there are others in the industry who will take up these licences when they become available.

Mr. G. I. Miller: When you are setting up a quota list and buying licenses, is there any possibility—

Hon. Mr. Pope: No.

Mr. G. I. Miller: Then there is some equal treatment. They put a limit on certain sizes. I can see what Andy is getting at. If they are going to get into one big hand, that is a real concern. Are we going to keep individuals operating or are we going to let things drift in that direction? Should there not be input from the fishermen themselves, some direction on how they would like to see the industry go?

Hon. Mr. Pope: We get mixed signals from processors versus fishermen on this issue. Generally we opt to protect the individual fishermen and the way we opt to do that is to say: "You cannot lease your quota for a period of years. You cannot sever off your white bass quota in Lake Erie and sell it to a processor. You have to make a choice. You are either in the business or out of the business and you sell your catch once you have caught it. You have to offer it for sale to the other individual fishermen in your area."

10:30 a.m.

The net effect of that, we feel and commercial fishermen feel, is to maintain the importance of the local fishing industry throughout the different areas of the lakes. We think it would be difficult for some major economic concern to move in and acquire the industry because if they made an offer to purchase, the offer would have to be put to the local fishermen first.

Mr. Watson: We are concerned about the leasing because there is leasing and there are contract sales and contracts and all kinds of arrangements. If there are health problems, for example, do people have to fish in order to maintain their quotas? How long can they let them lapse?

Hon. Mr. Pope: Generally speaking, we have some flexibility in terms of employees being on the boats and operating the boats. It would have to be the time and total catch from the boat itself. That has some implications, by the way, and may provide a loophole that I really do not want to discuss too much, other than saying we are going to try to monitor that as well.

Mr. Watson: I know there are some problems. I guess that is why I am on a fishing expedition here to see whether you have figured out how to plug them. As Mr. Miller says, there are many examples in other industries where they have quotas. It costs a lot more now for the privilege of milking a cow than it costs for the cow. One has to question the system.

Hon. Mr. Pope: This is not market quota. This is supply quota. Quotas are going to be adjusted from time to time based on the availability of the resource, not on the availability of the market for it.

Mr. Watson: I wish you well in setting up a system of quotas where that quota does not acquire a value.

Hon. Mr. Pope: I do not think there is any doubt that it already does, and I do not think there is any doubt that the licence has already acquired a value. It is the same thing with forest product companies. You can dress it up any way you like.

Mr. Watson: You can say it is in the net, or you can say it is in the boat or you can say it how you want.

Hon. M. Pope: Or you can say it is in goodwill.

Mr. Watson: You can say it is goodwill, you can say what you want, but it acquires a value. I guess what I am concerned about is that when we get into this thing we build into it a system that will put some brakes on those values. It may be you have the obvious answer because you have

the prerogative of issuing new quotas or taking quotas away depending on what the resource is, and that may limit the value these quotas acquire. I am sure you have thought about it because it is a problem.

Mr. G. I. Miller: If there are licences that are not being utilized, will the minister pick them up?

Hon. Mr. Pope: If licences lapse, if they are not taken up, if they are not being used—yes. On a regular basis, not based on the availability of the quota, but in our regular review of the state of the resource and the harvestable limits of it, we would allocate out among the existing licensees, based on the available resource.

If some licences lapsed or were no longer active, that resource would then be available for redistribution, but it would not be on a yearly basis. It would be after we have done our assessment of the stock and made some longer-term quota adjustments, unless there was a purchase of it by another operator.

We made the decision to go with a five-year review in order to encourage other commercial fishermen in the basin to acquire available licences on a purchase basis so these people do not lose their investment.

Mr. G. I. Miller: You said that the quota is not geared to the market, but really the market will decide on how much fishing there is. I think a good indication took place last year during the smelt scare when the market disappeared for a while. It certainly will have a tremendous effect on how many fish are taken from the water.

Hon. Mr. Pope: Yes, it will have an effect on how many fish are caught. It will not have an effect on quota.

Mr. G. I. Miller: If they do not take the quota at the end of the year, then ultimately there will be some effect.

Hon. Mr. Pope: No. We reassign quota on the basis of the assessment work that is going to be done on the Great Lakes on a regular basis. We will not adjust every year.

Mr. G. I. Miller: I can recall back in depression times when there were all kinds of fish and those guys were trying to market them at one or two cents a pound. Again, if there is no market for them, they will not be caught and it is going to affect the overall system.

Hon. Mr. Pope: In fact, if there is a long-term market defined, it may have an impact on the increasing quota available.

Mr. G. I. Miller: I know there were those few, and I think perhaps they were both in the

lakes, and as John indicated, some had only a small quota. Is there no way to help keep them alive in the business? Otherwise, will the ministry pick up the quota?

I think a policy has been set now. Some quotas have been bought back by the ministry at the present time. Is there a number on how many have been bought?

Hon. Mr. Pope: About seven were bought in Georgian Bay and three bought in Lake Erie.

Mr. G. I. Miller: Ten. Would that be a possibility for the excess, to pick up a few more?

Hon. Mr. Pope: We have some money in our budget for that kind of thing. It is generally done on almost a humanitarian basis. If there is an older fisherman who decides he wants to retire and he is not getting anything for the licence, and it is brought to our attention, we will try and move in and help out. We have done that in three instances in Lake Erie.

In Georgian Bay it was not done on that basis. It was done on the basis of removing conflict. Three licences were acquired from an estate where the widow did not want to continue the fishing operation or had not decided and was not sure that she wanted to get into it. We made the offer at the right time and picked up the three licences from the deceased fisherman's estate. Two others were acquired through an independent agent acting on our behalf to remove some direct competition between the tourist industry and the commercial fishermen in a specific part of Georgian Bay.

We felt that was the best way around it, as opposed to trying to put in all sorts of regulations, keeping them a couple of miles off shore and all the rest of the nonsense that causes more aggravation and hostility than it is worth, because then both sides are monitoring performance and everything else. We thought this was an easier and more cost efficient way around it.

Mr. McGuigan: We have really been putting a humanitarian value on that licence rather than a market value?

Hon. Mr. Pope: No. It does tend to track market value based on our understanding of sales, but there may be certain circumstances where this licence has not got a buyer in the area and they do not want to see a retired gentleman sitting there with a boat that he cannot use.

Mr. McGuigan: I do not quarrel with that. As I say, it is very difficult to establish what is the market value.

Hon. Mr. Pope: There is no doubt that in some cases the price—and I do not know any of

these gentlemen—may have exceeded some appraiser's analysis of the worth of the operation. That analysis might be on the basis of an inactive licence. I do not think you can make the judgement on that basis, where a guy has retired just in the past year and has had real trouble unloading his operation, so you have to look at a few other things.

10:40 a.m.

Mr. G. I. Miller: Minister, I want to be careful that I am not supporting someone who is going to make a quick buck off a licence. That is not my intention. But I know the two or three fishermen who have discussed it with me are trying to make a living. They have invested quite a bit of money and they did come in after 1980.

I have listened to the fishermen pretty carefully, and I know there was pressure that they should not be allowed in. On the other hand, they have the equipment, and if there is room by using another species where there might be a market for it, maybe they can survive. I know the committee is looking at it. Those people have been appointed, including Don Schott from Simcoe.

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: He perhaps did not know the industry that well, but I am sure he is fair and I hope he will be treated fairly.

There are just a couple more comments about a situation that I would like to have you make to show us that at least you are aware of it. This is the problem of the east versus the west. The fishermen at the east end of the lake feel that the fishermen at the west end perhaps are a little more aggressive. There is a boundary set up, east versus west, and there is some concern that the west is taking more than its share.

I do not know if you are aware of that. Perhaps you are, but I would like to bring it to your attention. Again, I want to make sure there is an equal basis at both ends and that they are treated fairly. I do not want to see the west take advantage of the eastern end.

Would you like to comment at all on that?

Hon. Mr. Pope: No, other than to say I guess the evolution of the commercial fishery has been different in the two basins and that was one of the reasons why we agreed to the split. We have tried to make some adjustments between basins in the last couple of months, based on information we have, quite frankly, from the east-end fishermen. We think we have succeeded, while not satisfying them totally, in at least having them feel things have been adjusted a little more appropriately.

Mr. G. I. Miller: Again, I think they have a good organization. The fishermen in the west end were represented by Frank Braever and they have strong involvement. I just wanted to put that on the record for the information of the ministry.

I think that is all, as far as the fishing is concerned, with the exception of the sinking of the Stanley Clipper in that storm on April 30 which was discussed here this morning. The three fishermen who recovered the boat brought it in on May 23 or 24.

They have not found the fishermen, but I raised the question with the Premier in regard to safety devices and protection on the fishing boats. I mentioned the survival suit, which is fairly expensive and had asked if there would be any way of encouraging the fishermen to keep their boats equipped with that type of survival equipment.

I believe we wrote a letter to you and the Premier. Since that time, we have received some correspondence from a company interested in supplying the survival suits. I used a figure of \$1,000, which was passed along to me from some of the fishermen in Port Dover. This information indicates that a suit costing from \$500 to \$600 may do the job.

I wonder if the minister would care to comment, if he would give any consideration to come up with a scheme that might help protect the fishermen who get caught in a situation such as the one on April 30?

Hon. Mr. Pope: Generally, a number of federal departments are involved. The Department of Transport and the Department of Fisheries and Oceans have some involvement in it.

We are concerned about life. Specifically, after the incident we wrote the opening statement to include some reference to safety on the waters, some of the issues that had to be addressed and our willingness to get involved in it.

I think that is all I can say at this time, other than I know your concerns have been noted and we hope that ourselves and the Department of Transport and the federal officials will be getting together soon to look at safety issues surrounding not only commercial fishing but also recreational boating in the province. We think that there have to be some improvements made and I think there is a willingness to make some changes.

But, specifically after the incident and after you talked to me, you will see that there is a page in my opening statement on boating safety.

Mr. G. I. Miller: I noted that.

Mr. McGuigan: Could I have a bit of information? A friend of mine who has been in the industry all his life and knows boats pointed out to me that it was quite an old boat. That does not make it a poor boat or anything. But it was built from very heavy plate; he said it was heavier than they presently use.

During a storm those things are going into the trough and out again. He said that with a heavier boat like that, you are going to hit the bottom. It does not have the flotation to raise the nose. With any boat, whether it is the one that sank off Bermuda or a battleship or whatever, if the nose goes under the boat goes under. He attributed it partly to the weight of steel that was used in that boat. I guess they overbuilt them at one point, which may be a factor in that particular boat.

The facts of it are that when the nose goes under, the ship goes under. It just goes right to the bottom.

Mr. Chairman: That is the end of your comments, Mr. Miller?

Mr. G. I. Miller: I think it is, Mr. Chairman. I realize it is 10:45 a.m. and we have gone over a number of essential items.

Mr. Chairman: Thank you. Mr. McGuigan, you are next on the list.

Mr. McGuigan: What you have confirmed about the quota fits in with my own background. I live right on the shore of Lake Erie and have known many of these fishermen personally. I guess because of the similarities between agriculture and fisheries, I have always had an interest in it.

I want to offer to you some of the criticisms that the fishermen have given to me. I guess I have to preface that by saying that, as you already know, I am a conservationist myself—not a preservationist, but a conservationist. There is a big difference between the two.

When I listen to their arguments, I really come to the point of wondering whether the concept of conservation in this particular system is really going to work. What they tell me is that there is an ebb and flow of various species of fish in the lake. For a certain number of years it will be perch that are available in large numbers, then it will be whitefish, and then it will be pickerel or it will be smelt. Over the course of a large number of years, we will have these ebbs and flows.

They also say the assessment figures you have, as the member for Haldimand-Norfolk (Mr. G. I. Miller) has said, are simply the market reflections—certainly not in total—of the biological assessment of how many fish are in the lake.

They also question whether or not you can actually eliminate species. I know there certainly is a public perception and a lot of support for the idea that we do not eliminate some fish—we do not fish them out, so to speak.

I wonder if that is not based heavily on the ocean, on the salmon fishery, where the key to that is the spawning grounds. There are only one or two spots on each coast where these fish spawn and they can be fished out of the oceans and undo the migration when they come back to the oceans, and so on. We know the Atlantic and Pacific salmon fisheries are in danger of being eliminated; what is the point of getting the last fish?

10:50 a.m.

But in the lakes, they point out, you really do not have that situation because there are spawning grounds all along the lakes and the various streams, some of them I guess in the lakes themselves.

Theoretically, with the amount of fertilizer there is to be put into these lakes from land sources, sewage sources and so on and the vast expanse of areas there for the growth of algae and aquatic plants—and it is certainly known that they are there—the lakes should teem with fish.

These people do not think it is really possible to fish out a particular species. They think it possible to knock the numbers down pretty low, but the fact is that fish lay thousands of eggs and any biological species—even man—tends to have more offspring when pressure is put on its numbers. Following wars the birth rate goes up, then drops off. If you put a bounty on foxes, then the more young foxes you dig out and catch, the more foxes the adults have. They really question the theory behind this conservation.

Do you know what fish stocks are in the lake? Do you believe, for instance, that if you can strike a balance—take someone who will say four million pounds is the quota, and probably due to some of the inflexibility there is in the system, we might come down to two million as an annual harvest—at that level you would always maintain a relatively stable balance of that fish in the lake or is that fish going to go through the fluctuations anyway?

Hon. Mr. Pope: They have general trend lines and the biologists know that. That is why you do your readjustments on a supply quota basis. You do your readjustments on a regular basis, based on assessment information.

Some commercial fishermen are great at saying our assessment information is all wet, yet they will not let us on their boats to do the

assessment work from scale testing of their catch. They cannot have it both ways.

Yes, there are lakes in which commercial fishermen have operated that we have had to close down. Shoal Lake is a good example. If they do not believe a lake can be fished out, they should fly out to Shoal Lake and see what is going on there.

You do not get information on absolute numbers of fish in a lake. That is impossible. No biologist can do it. You have some assumptions in the Ryder scale you use to predict the population of species in a lake. That Ryder scale has been used world wide. It is not something we have dreamed up. It is something that is accepted as a calculating formula.

What you have to look at is the number of year classes of different species that are in the lake. You do that by your assessment units, analysing scale samples to determine age. If you do not have two or three age classes in place, naturally reproducing, you have the makings of a fishery on the decline, a rapid decline.

We have three feet of studies for Shoal Lake. Seven different studies were done over the last eight years—by the commercial fishermen of Shoal Lake; by independent biologists at the University of Manitoba and by all sorts of consultants we hired. There was a full debate and the commercial fishermen said we did not know what we were talking about.

By last year in Shoal Lake we had one year class of pickerel left, which is the major commercial fishing species and the major sports fishing species—one year class was left that was about to enter the commercial nets. All the studies showed it. The commercial fishermen hired an independent biologist and then terminated his contract. His information agreed with ours.

We closed down the commercial fishery. We closed down the sports fishery. We closed down the tourist industry on that lake. The economic consequences are without compensation. We did not fish the lake out; no compensation, we just closed it down.

We have had substantial reductions in allocations and take, both for sports and commercial fishermen, on Lake of the Woods and Lake Nipigon, simply because all the biological information shows a declining number of naturally reproducing year classes. Therefore, you have the makings of a fishery in trouble.

When we get that kind of information even the biologists employed by the commercial fishermen agree we have to do something. It is harder

to prove that that is the case in the Great Lakes because of the vast size of them and because of the number of spawning areas, or natural habitat areas, that are regionalized in each of the Great Lakes. It is hard to come to that overall conclusion. In smaller bodies of water, where you can come to that conclusion more easily, yes, we have actually taken steps to do just that.

The only way around it is to accept these quotas for what they are—a time-frame snapshot of what we and our biologists think the lake can sustain. Knowing it is in excess of their catch over the last 10 years, it should not be putting new economic strains on the commercial fishing industry. Then we should have the commercial fishing industry and ourselves jointly do the assessment work necessary to prove one point of view or the other.

We have asked the commercial fishermen to let students on the boats to take scale samples and to let us do the measuring. We can do it on the boats if they would let us on them. It would not tie them up at port; it would not keep them at dockside for any length of time. We could get all the scale samples and do the work—

Mr. McGuigan: Can you not do this in the packing house?

Hon. Mr. Pope: You can do it in the packing house, but you cannot relate that necessarily to any particular area of the lake. In fact, we do do some work in the packing houses.

Mr. McGuigan: But you are trying to pinpoint it to an area in the lake?

Hon. Mr. Pope: Yes, we are trying to do that.

Mr. McGuigan: I can certainly see that in a small lake, although I do not know where Shoal Lake is. Where is Shoal Lake?

Hon. Mr. Pope: It is on the Manitoba-Ontario border, in the very south end of the Kenora district.

Mr. McGuigan: I can see where you can have that situation, where you would see only one class left, with the next class going to be zero. With the vastness of the lake and, as you have been mentioning yourself, the many different spawning areas and species, the fishermen will say: "Okay, that species is going down, but it will not go out. In the meantime, we will move over to another class. We will keep going. We have been doing this for years and years."

For instance, I know one fisherman who has not used his smelt quota for three or four years. He is in danger of giving it up, but he hates to lose the flexibility there is in the system. When the time comes that the stocks of, say, perch,

pickerel or white bass are not there, or if the market is not there, they can move their boats over and go into the other fish, provided they are there and there is a market.

I sympathize with what you are trying to do, but I wonder if, in the Great Lakes, it is possible?

Hon. Mr. Pope: To take your last point first, I guess by taking the best three years of the last seven from 1973 to 1980, and by looking at total harvest on a lake-wide basis up to 1983, we try to give that flexibility. The reality is that some fishermen have smelt and white bass quotas. The smelt quota may have been based on fishing performance from 1973 to 1976 and the white bass allocation may have been based on their fishing performance for white bass from 1977 to 1980.

11 a.m.

The effect of both allocation systems in a different time frame being brought forward and put on one licence is that we try to retain that flexibility. In some cases it did not work as well as we had hoped, but in most cases it did. The commercial fishermen on Shoal Lake made exactly the same arguments as the commercial fishermen in the Great Lakes have made. We disagree with them.

I am not saying our staff is right in all of these conflicts that arise from time to time in interpreting data. I guess in the absence of proof, though, I cannot afford to take a chance. I would not want to be the minister who says, "We will take a chance that it will be temporary and they will come back." If we see signs of decline on a biological basis, I think we have to be ready to reduce our harvest so we do not have wide fluctuations in cycles brought on by fishing pressure.

You are quite right. Some of the cycles are brought on by biological conditions and natural influxes, but I think we can predict those. There is enough information that commercial fishermen and biologists would agree on; there is enough information about those fluctuations to allow us to modify the situation. But I would not want to be part of a system that allowed modification of actual fish stock on the basis of harvest activities. You would get great gaps in harvest performance and that would not relate to the market or to the normal fluctuations. Then I think you could have some trouble.

Mr. Lane: Mr. Chairman, could I ask a supplementary? It is probably not really a supplementary, but I do have to go and talk to a school and I wanted to ask the minister some questions.

Jim mentioned the fact that we probably could never fish out a lake. Maybe that is right, but we know by accident that fish can be cleaned out of an area. In the Spanish River last year, there was the accidental dumping from the E. B. Eddy plant, and within 24 hours all the fish were cleaned out of the Spanish River. I certainly have to congratulate you and the Minister of the Environment (Mr. Brandt) for the way you worked on that. I am satisfied with what has been done to rehabilitate the area.

However, for the record, if you have the figures with you, I would be interested in knowing just how we are going to overcome the accident that occurred on the Spanish River last summer. What numbers and what species of fish are going to be restocked?

Hon. Mr. Pope: Some species have come back up the river. We have indicated that as soon as we have finished our biological reports, we will make that our priority. We will make pickerel our particular priority by stocking from the Nipissing pickerel rearing pond we are constructing and we will look to some of the clubs that have already indicated a willingness to get into some community fisheries programs. We will put in the necessary money to get it going again.

There is no doubt that some of the species have been impacted permanently; others have not. We should know in the next few weeks what has to be done. It is not as bad as we feared, but there was some impact.

Mr. Lane: It was a very bad event, but I think you are overcoming it quite well.

Mr. McGuigan: Mr. Chairman, I have just a couple of points. I guess I find your arguments soundly convincing. We have not heard those arguments, at least at the meetings I have attended; neither have I seen them in the fishermen's press, but then maybe it is their fault because they have not published them. If there is good, sound biological evidence behind this, we can give it a chance.

One of the things that has really upset them in the past—and I think you mentioned this earlier—is that, as part of the decentralization system of the minister over the years, they have had to talk to Chatham and to other ministries or other establishments in the field. They seem to get different answers from quarters other than Toronto.

I believe you said you centralized a lot of the thinking and policy making. Do you think you have corrected that?

Hon. Mr. Pope: Yes, the commercial fishermen put three recommendations or preconditions to me last year, prior to the implementation of individual quotas. One was an improved assessment system.

As I announced in January at the commercial fishing meeting in London, we are putting additional assessment staff on the Great Lakes. We hope the fishermen will co-operate with us, since they want the increased assessment activity. We have put in a computer-run program to compile data on a centralized basis and allow for access for individuals out in the field to get that data.

The second thing the commercial fishermen wanted was a better enforcement system, a more evenhanded enforcement and more enforcement activities in the Great Lakes. We indicated we were hiring an additional 13 conservation officers to be put on the Great Lakes for enforcement activities with the commercial fishermen.

The third thing they asked for was a centralization of the program. It was their request that it all be centralized in Toronto.

We now have a system that before any licences are issued, the conditions of the licence have to be approved by myself and the Toronto staff, and before any charges are laid they have to be cleared by myself and the Toronto staff, at their request. We have centralized all of that process so that although the licence is still issued from the district and regional offices, the decision making takes place in Toronto.

We have tried to meet their three preconditions. There may be different answers in the field. There have been some adjustments in thinking about these issues. Some staff, from time to time, at the request of commercial fishermen, try to predict what we are doing and what we are going to do on a certain situation, sometimes without success. We also communicate on a regular basis with the Ontario Council of Commercial Fisheries and provide them with updated information.

We are trying to make an effort to deal with those three preconditions. I think it is getting better. There is no doubt that a few years ago there were mixed signals coming from the ministry, depending on which district you talked to. We have tried to overcome that as well by having common policy statements on procedures that are sent out to our field offices on a regular basis.

Mr. G. I. Miller: May I ask one supplementary? In regard to those enforcement people, will some of them have some practical experience in

commercial fishing? I thought there was some indication that there were one or two.

One person in Port Dover was mentioned as having made application for a monitoring job. I am not sure what the position was. It would seem to me it would make good sense to have someone who understands the industry and who would be involved in it. It creates a somewhat better relationship between the industry and your ministry in enforcement.

Mr. McGuigan: People like Laverne Kelley at Erieau.

Hon. Mr. Pope: I was just going to say that.

Mr. G. I. Miller: Doug Mummery at Port Dover would be—

Hon. Mr. Pope: Laverne Kelley was hired. I do not know what his contractual relationship was, but it was part of a self-policing program we had in place. Laverne Kelley was really working on behalf of the processors and the commercial fishermen.

We made available port observers to help him on request and, in fact, augmented our port observer staff and had them available longer in the fall than normal, at his request. We used a lot of information that he assembled in dealing with the fishing industries in his part of the lake.

We would like that kind of a co-operative effort to expand into the other lakes. It is very possible it will this year. I think there is a willingness to do that.

Mr. McGuigan: Mr. Kelley is the warden of Kent county, is he not?

Hon. Mr. Pope: Yes. The previous warden of the county is the chairman of the quota review committee, right? Twice removed, I guess.

Mr. Watson: I think John Leeson, who is the previous warden, is going in.

Mr. G. I. Miller: The person whose name came to my attention was Doug Mummery at Port Dover. He has nothing to do with the political scene, but he has been in fishing all his life. Apparently he is available; I think he is an excellent choice.

11:10 a.m.

Mr. McGuigan: There is another technical point I want to pursue. You say you have been given figures by fishermen over the years that did not jibe in your mind with the actual number of fish caught. Why would it not be possible to get the exact number of fish from the books of the processors who buy these fish off the boats?

Hon. Mr. Pope: Starting this year, we will have that system in place. We did not have a

tracking system from the catch on the boats to the fish processed by the plants. We now have a one-write system of catch reporting that follows the fish through a distribution chain without dictating what that chain should be.

Mr. McGuigan: Surely the processors must have had records of who they bought their fish from?

Hon. Mr. Pope: Yes. Where those records did not jibe, we laid charges from time to time. There is no requirement that a commercial fisherman dispose of all his catch at a processing plant. You could have sales to restaurants or there are suggestions that some boats off-load in other jurisdictions. We were having trouble that way.

Now we can monitor it with the one-write system right through the distribution chain. With a receipt showing where the fish has been distributed, we can go back and check the receipts at the distribution point and we can check the receipts at the fisherman's place of business.

Mr. McGuigan: You have proper laws in place to give you the authority to do this?

Hon. Mr. Pope: Yes, we started just this year.

Mr. McGuigan: There is another point that has been mentioned already; the business of incidental catches. Fishermen, having the flexibility they have had in the past—and many of them are third, fourth and fifth generation fishermen—are pretty independent. They have wanted to go their own way. They see a conflict in this whole fishing thing from what happened in the United States where they pretty well eliminated the commercial fishing industry on the Great Lakes. They feel it has been eliminated in favour of the sports fisherman. They see this whole move in that same context.

When it comes to turning in incidental catches—you have already mentioned it—it is only human nature to throw those fish overboard rather than bring them in.

Have you thought of any sort of a system where there would be some sharing on incidental catches, so the fishermen would at least be paid for their labour, their fuel and basic expenses of going out there on the lake? If we find these fish being washed up on the shore—some of them will not reach the shore—it is going to be a bad deal with the public, politically and for everybody involved in this system. Have you any thoughts on doing anything about the incidental fishing?

Hon. Mr. Pope: We considered it and decided not to do it.

Mr. McGuigan: Could you tell us why?

Hon. Mr. Pope: Yes. First, we did not know if we could afford it. Second, we do not think we can have a system that pays fishermen to catch fish they are not supposed to catch.

We have exercised leniency in the past respecting incidental catch. We have only really charged where we had a sense there was some targeting going on and some illegal sale activity going on with some of these species.

Mr. McGuigan: Are you prepared to lift the licence when that happens?

Hon. Mr. Pope: Are we prepared to lift a licence? The new modernization program has a demerit points system. The points can accumulate over a period of years. If there is illegal activity of some significance going on, they could lose the licence.

Mr. McGuigan: This is maddening to those people who have been responsible over the years. They know what is going on in the industry. They see these fishermen who are getting away with it. There is a tendency to ask, "Why am I being a good guy when these people are getting away with it?"

Hon. Mr. Pope: We get reports privately from individual commercial fishermen that we act on from time to time. In general, commercial fishermen as individuals have been pretty good in telling us about some of these problems and asking us to do something about them, because of the impact on the resource and on the reputation of the industry.

I think you are right. There are a lot of commercial fishermen who see some things happening that they do not agree with.

Mr. McGuigan: They are a fraternity, and people who go down to the sea in ships develop a pretty strong fraternal feeling among themselves.

Hon. Mr. Pope: You sound as if you were in the navy.

Mr. McGuigan: No, I was not. I lived beside a lake long enough to know you cannot expect them to tell you about these things, yet it certainly boils within them if they know it is happening and they are being penalized because they are good guys.

I guess this is just for information. Some of the older families who have been fishing for years and move from species to species, who have that flexibility and more or less played the game of conservation, now feel they are being penalized by some of the latecomers who have gone there to fish the lakes.

Hon. Mr. Pope: If I could put on the record, we have tried to do exactly the opposite. That is why we did not include catch performance from 1980 to 1983 in the individual allocations to fishermen. Knowing what the ground rules were going to be, the latecomers should not benefit from fishing up.

On the other hand, concerning the total harvest on a lake-wide basis, we set a lake-wide quota until 1983. We have tried to benefit some of the older, traditional families by the way we designed the system, with the best three years of seven on a species by species basis.

Some people feel it has not worked out that way, but in general if you talk to some of the older fishermen, as they see what some of the latecomers have been getting in quota allocations, some of them have written to and called me and said they agreed with our system and it did help the traditional fishermen vis-à-vis the new guys.

Mr. G. I. Miller: Are there new offshore people coming in?

Hon. Mr. Pope: Yes. They were people who bought in after 1980, acquired licences, bought new boats and generally ignored that there was some rationalization coming in.

Mr. McGuigan: Where does that generally place those people?

Hon. Mr. Pope: Quite a few of them are in Remo's area. He has a problem with that issue. The commercial fishermen are split. By "newcomers" I mean those who geared up after 1980. That is what the term means.

Mr. McGuigan: It is like people in hog marketing: as soon as you get into difficulties in hog marketing, you get some people saying, "We should have a hog marketing quota." That is a signal then for—

Hon. Mr. Pope: —everyone to get into it in a hurry.

Mr. McGuigan: To build up their base.

Hon. Mr. Pope: Yes. They do that on a province-by-province basis, too. Quebec did it in chickens, did it not?

Mr. McGuigan: I have another technical point on the matter of incidental catches.

You say you had built up a fund to be used for stocking and so on, but whenever we have talked about this on sports fishing licences—that we have a local resident licence and that fund would be used for restocking, management and so on in sport fishing—I always get the answer that Ontario does not believe in special funds. I do not believe in special funds either, such as there are

in the United States, where there are highway funds and all these various funds.

How have you managed to overcome the government policy on funds if you say you can put up a special fund for that?

11:20 a.m.

Hon. Mr. Pope: We do not receive the incidental catch. An agent mutually agreed upon by the Ontario Federation of Anglers and Hunters and the Ontario Council of Commercial Fisheries receives the catch. He arranges for its processing and disposal so it does not conflict with traditional markets. He receives the funds from the sale and he is directed by the Ontario Council of Commercial Fisheries and the Ontario Federation of Anglers and Hunters as to where that money should be spent. It would not all be for fish stocking or rehabilitation; there may be some commercial fishing issues that could be addressed by it.

Mr. G. I. Miller: Like fish ladders, you mean? I can think of a fish ladder at Silver Lake and Port Dover.

Hon. Mr. Pope: Could be. It could be an acquisition fund for some marginal operators; it could be all sorts of things they could look at. We do not receive the money.

Mr. McGuigan: Presumably cabinet must approve of this.

Mr. Watson: I know what you are saying when you say you do not allot certain tax revenues to certain things. But when you stop and think of everything from crop insurance to these farm protection plans and the money that producers are putting in, there are coming to be more and more of those, and I think that is one of this kind, is it not?

I know what you mean by saying we do not necessarily allot the tax on gasoline to roads; it is not that specific. But we certainly do in a lot of these compensation funds.

Mr. McGuigan: The United States had a highway fund back in the 1950s and 1960s. They built a tremendous system of highways and neglected the railways. Now their highway money has dropped, and their highways are going to pieces. Highway 401 is a better highway than I-75 out of Detroit, because of the special funds they have. I support our system of one consolidated revenue fund.

It does open up possibilities if you can, say, do it for this. Why can we not do on sports, on resident licences?

Hon. Mr. Pope: Quite frankly, I do not think it would be acceptable in Timmins. They are

having enough problems dealing with the moose allocations.

Mr. Sweeney: Who is the member for Timmins?

Mr. Watson: It is not very acceptable for the nonresidents who come into the province.

Hon. Mr. Pope: If they took the time to examine our system, they would not have such a naive reaction to it. We spend \$40 million at the federal and provincial levels on our sports fishery from residential taxes, and thank God some of them are starting to listen and understand our system.

The problem we have is that if we introduce a residential licence, the argument is going to be that the revenue should be used in the sports fishing programs of the ministry. The reaction is going to be, "Fine; only revenues generated from licences will be used in sports fishing."

That means you will have to have an annual licence of \$40 per household per year in order to be able to sport fish in this province. This is a new fee that is going to be applied, and any increase in expenditures in the sports fishing programs would have to be tracked by an increase in licence fees. I do not think you necessarily want to get into that kind of process of comparing revenues to expenditures.

They have done it in the States and the result in some states has been that they are putting very little money into the sports fishing programs and are trying to get Congress now to put add-ons on some of the different existing federal programs to get some revenues for sports fishing. The whole system has started to disintegrate in some of the states, quite frankly, because they did get themselves trapped in that relationship.

Mr. G. I. Miller: I would like to have on record what I was showing the minister a couple of minutes ago from 100 years ago in the "Looking Back" section of the Simcoe Reformer on May 24: "Port Rowan announces that more licences have been sold, more money collected and less trouble experienced this season by fishery officials than ever before." I thought that was interesting.

Mr. Sweeney: It just takes some people a little while to catch on, that is all.

Mr. G. I. Miller: The other thing was that 75 years ago, "Tree planting at the government plantation at St. Williams is quite an industry these days. Six men are working, six more will be hired and 400,000 trees are in the ground." I thought those were interesting comments from 75 and 100 years ago.

Mr. McGuigan: I have completed what I wanted to say about commercial fishermen, but you led into the recreational fishermen. Have you any evidence, this far into the season, about whether the Americans are boycotting us, as they said they were going to do, with some of their advertising?

Hon. Mr. Pope: It is spotty. There are a couple of areas. Maybe Andy knows more about Lake St. Clair, about the charter boat operators.

People from around Columbus, Ohio, and Buffalo, New York, have been mobilized by journalists and politicians to actively boycott.

In Buffalo, New York, they want the Niagara River to be a free zone where as many New York state residents as want to can come over and fish for our sports species. That is what they want out of us. Until we agree to that, they are going to have their organized clubs try to put pressure on their members.

Mr. McGuigan: So they using it as a bargaining trick, then.

Hon. Mr. Pope: That is what they are trying to do.

Generally speaking, our fly-in fisheries have reported a 25 to 30 per cent increase in bookings this year. That is in the north.

Generally, there were some early concerns in eastern Ontario and some part of the Parry Sound area from commercial tourist establishments. There have been some cancellations in Parry Sound. I have not heard of any new cancellations in eastern Ontario.

Mr. McGuigan: Do you know anything about the western end, Lake St. Clair and Lake Erie?

Hon. Mr. Pope: I do not know if the charter boat business has been impacted. Mr. Miner felt that he was down 35 to 40 per cent in his bookings, but part of that could have been due to the fact that a former employee began a charter boat business this year. He attended the Detroit show and tried to grab some of those bookings. We cannot analyse at this time whether any one of them had an impact on the other.

In general terms, we feel if there is any decision not to come to Ontario, it will not last more than this one season.

Mr. McGuigan: I said that I was finished with commercial fishermen, but you brought up something else to remind me. Is there any chance of those St. Clair commercial fishermen getting any crack at the pickerel?

Hon. Mr. Pope: No. That was the deal. It was clearly put in writing in the beginning, first,

when they were shut down and, second, when they were opened up again.

Mr. McGuigan: They feel pretty hard done by that they take out all the junk and leave the good stuff there for everybody else. I would not suggest that you give them free rein, but it seems to me that if they had some part of that harvest, it would be a little more fair to them.

Mr. Watson: Mr. Chairman, on the subject of the sports fishermen and nonresident licences, it is a considerable problem for the people in my area who run the camps on Lake St. Clair and the day-users who come over.

You mentioned that the fly-ins up north are up 25 per cent. I would like to reiterate that I feel the change in the licensing system did not change the people in northern Ontario, because to institute a 21-day licence was for the fly-in operator the same as a season's permit, because people fly in for that length of time and that is their fishing trip for the year, that is their season's trip.

Down our way it is a very different process. The season's trip is coming over every Saturday or Sunday afternoon or on their day off during the week. They may come one day a week or two days a month or something of that nature. In total, they probably do not do any more fishing than the fellow who flies into the camp up north.

11:30 a.m.

I realize you did backtrack a little bit and institute a family permit. I was not, and I am still not, endeared to the method in which it was done. I know that, until April 1, because the Ministry of Natural Resources did not have that permit to be issued, you allowed people to fish on a family basis under a single permit, which took care of that. Then, lo and behold, when April 1 came along, these people were told they had to go to the ministry office to get their season's permit if they wanted credit for the single permit they had already bought. Of course, they came on a weekend, and Natural Resources offices are not open on weekends.

Hon. Mr. Pope: That was changed after it was brought to my attention.

Mr. Watson: Thank you very much, because it was a very contentious issue in our area. I guess I would appreciate a little more leaning to the side of the people who have to work with this.

These camp operators take quite a bit of abuse. You may not think it is too stinging but, on the other hand, a little comment from their clientele hurts. I understand why. They say, "If that is the way you are going to run this, we do not know when we will be back." It may be fairly

insignificant from their point of view, but it hurts the people who are running these operations.

I would like to see us, not only from the resource point of view but from the tourism point of view, promote these areas. I understand the cost that this has put on the tax dollars. When you get an opportunity to explain this on a one-to-one basis to these people who come in it is no problem. I have had some of those opportunities because I took them last winter. The Thames River gets pretty thick with ice fishermen. A lot of them are Americans. I even stop and visit with a few.

When they understand that we are putting money in from tax dollars—I think the figure at that point was \$38—and they do not pay taxes here so we are charging them \$30, they understand that and accept it. Somehow we did not get that message out at the start of this procedure.

If the other matter has been corrected, thank you very much. I appreciate it.

Mr. McGuigan: Perhaps there is something I could add to the supplementary to the supplementary.

When one looks at this whole business of the people from the United States coming over into northern Ontario and virtually harvesting beautiful fish—I think I saw a figure where it said it only cost 10 cents a pound to get the fish back into the States, whereas if they bought it from a commercial fisherman it might cost them \$2 a pound—from our point of view it certainly makes good sense to make those people pay a higher fee.

We do not have that situation in Lake St. Clair where we have people driving over from Detroit on a pretty much a day's basis. I do not think they take home huge amounts of fish. They fish off the docks largely on Lake Erie, and on the St. Clair River it is off the boats.

Mr. Watson: They fish all along the river and even in the cuts.

Mr. McGuigan: So they cannot be taking home vast quantities of fish and, yet, it means quite a bit to the people in the area who cater to these people.

There is another aspect that was brought to my attention by some of the fraternity of sports fishermen. They have as tight a fraternity as any other fraternity. I have forgotten which system came first, but anyway they told me that in the spring and fall it is better on the American side, and in the summertime it is better on our side. This could possibly be reversed.

So, at one time of the year our fishermen are going to the American side, and at the other time, they are coming to our side. Therefore, they know one another. They get to jibing at one another about how both governments are treating them.

That is where a lot of the pressure is coming from. That is where a lot of the journalistic pressure comes from.

Hon. Mr. Pope: And the reality is that if you are husband and wife fishing for trout you will pay equal to or more for fishing in Michigan than you will in Ontario.

Mr. McGuigan: These things really need to be publicized more. Certainly that is the argument they bring to me and I am sure they bring it to Andy.

Hon. Mr. Pope: We have written to a lot of sports writers. Some of them will not even print our letters. There are a couple of areas in Ohio and in Michigan where the sports writers and the tourist industry undoubtedly decided about a year and a half ago to promote fishing in their own states. They have embarked on a program to convince their residents to stay home, and will use any information or point of view at their disposal to enhance that campaign. Some of them have not even bothered to relate it to the facts.

Mr. McGuigan: I wish we could get more of that out to our own people, because they are hearing only one side of it.

Boating safety: shall we talk about that now or at some other point?

Mr. Chairman: It is recreation, is it not?

Hon. Mr. Pope: Yes.

Mr. McGuigan: Regarding the Great Lakes, I know we are getting more experienced than we were, but still we have a lot of people going out in small boats on the Great Lakes—around Erieau particularly. They are violating all the federal rules such as lacking the required compass, the required oars, the required life jackets, etc.

These people are basically inland boaters. They go out on Lake Erie on a calm day and nothing happens and they build up confidence, yet we know that disaster is waiting to happen. It happened off Bermuda where that very large boat went under in 45 seconds. It happened on Lake Michigan a number of years ago—about 1966 or 1967—when they first realized they had a salmon run. A number of people were drowned and hundreds of boats were lost. I fear it can happen on Lake Erie.

The commercial fishermen have told me they have been out 20 miles or more in the lake when a

boat would come along and the people aboard it would ask, "Which way is the shore?" Having been out there twice last summer, once with—

Mr. Watson: How many fish did you catch?

Mr. McGuigan: None. That is because we had you along. You jinxed us.

Mr. Watson: No, actually it was the mayor of Chatham who jinxed us.

Hon. Mr. Pope: And you were the guys who asked what direction the shore was.

Mr. Watson: May I add that I was out on Lake Erie with the minister one day and I did not care which direction the shore was, the way I was feeling.

Hon. Mr. Pope: Yes, that was a fun day.

Mr. McGuigan: The fact is, even if you are not too far out you cannot see the shore if there is a mist along the shore. You cannot even see the sun and you are totally lost. The commercial fishermen, even if they were blindfolded, have an instinct.

Mr. Sweeney: Look for the moss on the sides of the trees.

Mr. McGuigan: The only trees there are 70 feet under.

We really have to get into a better program than we have.

Hon. Mr. Pope: Yes, one of the things is navigational information and we are trying to work with some of the marinas now so they will have better navigational information available to them. There are a lot of things that have to be done.

We have a recreational boating office now with Frank Maher. We are trying to work on some of these elements of boating policy to get them brought up to date and to get more information out.

Mr. McGuigan: And you are the lead ministry?

Hon. Mr. Pope: Yes.

Mr. McGuigan: Can you give us any idea what resources you are putting into it?

11:40 a.m.

Hon. Mr. Pope: Everything he has asked for he has got. He knows what the job entails: it requires public education and additional maps and documentation. We want to get better descriptions of marina facilities in different parts of the province. We want to get more information out to the American boaters so they can plan lengthier trips through our waterways, give them more information on what services are available

at different locations and keep it updated. We have to make a lot of improvements.

There are a million boats owned by Ontario residents. The estimate in the Sarnia area is staggering; I think it was four or five million boats within a day's ride from the Sarnia marina. There is \$250,000 allocated for recreational boating this year. It is a new budget item, page 36.

We are trying to accelerate that program, not only for safety reasons, but also to encourage more boating-related vacations for a greater period of time than we have seen in Ontario.

Mr. McGuigan: Keep those tourist dollars home.

Hon. Mr. Pope: Yes, and get some more in. In some parts of the Great Lakes they tend to stay on the American side.

Mr. McGuigan: Certainly this salmon fishing off Erieau, St. Thomas and various places is really getting to be a big thing. It is a wonderful economic addition to the communities. I guess there always will be some question of whether there is a conflict with the commercial fishermen.

One of the things we read is that when you open these salmon up you never find a perch in them, yet the fishermen will tell you the salmon eats the perch and in just minutes it is gone, so you are not likely to find one, even if the salmon has just finished gulping it.

The same thing happens with seagulls. Ten minutes after a seagull takes a fish it expels the bones. The acidic content of their stomachs is so great and fish are such soft-fleshed things that they are digested in just minutes.

Mr. Watson: They are certainly very efficient birds in that regard.

Mr. McGuigan: They are accurate, too.

The commercial fishermen are not convinced the salmon do not eat the commercial fish.

Mr. Chairman: I would mention to the members of the committee that we have just slightly more than an hour left on these estimates. We have two speakers left on this outdoor recreation program. I just wondered whether you wanted to spend the rest of the time on this or whether anyone has any interest in any of the other votes, such as mining.

We have wandered quite a bit today. I do not care, it does not matter to me.

Mr. G. I. Miller: What is the time limit? When do we finish?

Mr. Chairman: Actually, 12:50 is our 18 hours, so it is an hour and five minutes. Mr.

Watson and Mr. Sweeney have requested time on this vote. I am sure there must be some concern about vote 2604, which relates to minerals.

Mr. Watson: I can wind up in two minutes on this.

I have a suggestion on the recreational boating aspect. It was put to me that the government should consider people who are waterskiing. A boat that is pulling a waterskier should have some type of identifying flag. I do not know whether this comes under your jurisdiction.

They said that should be worked on because the problem comes in a lake where a waterskier falls and another boat is coming by. I know you have the extra watch, but there should be some kind of known signal. If a boat is flying a certain type of flag, it would indicate it is pulling a waterskier and would improve safety.

This was brought to my attention by someone who almost hit a skier in the water because the tow boat was turning around. I do not know whether it is a practical idea, but it did seem to make some sense. That is all I wanted to say.

Mr. Sweeney: I gather we can ask anything on vote 2603?

Mr. Chairman: Yes, on the outdoor recreation program.

Mr. Sweeney: I notice this includes the Canadian Coalition on Acid Rain and the ministry's involvement in it, so perhaps it is appropriate for me to ask about the way in which the ministry is involved in restoring lakes, such as in the Killarney area, that have been seriously affected by acid rain.

What is the ministry doing to prevent acid rain buildup in some other lakes that are on the borderline? Can you give me an overview on the whole question of lakes and acid rain and the sports fishing situation?

Hon. Mr. Pope: First, on the item respecting funding of the Canadian Coalition on Acid Rain. The coalition does a mailing each year to the applicants for hunting licences in the province. We subsidize that program. In addition, we provide some general support, along with the Ministry of the Environment.

On our acid rain program components, we have joint assessment teams with the Ministry of the Environment that select lakes showing signs of being under stress. The Ministry of the Environment tends to do the analysis of the water quality and we do the analysis of the impact on aquatic plants and on the fish species. The lakes are jointly agreed upon as being the priority to get more information on.

Just to give you an idea of the number of lakes, in 1982-83 and early 1984, we sampled approximately 2,000 bodies of water to bring to over 5,000 the total we have sampled with the Ministry of the Environment. Fifty-eight per cent of those were sensitive to acidic precipitation and five per cent were already acidified. We have tended to concentrate on the Muskoka, Haliburton, and Algonquin regions and the Sudbury, Temagami, and Algoma areas.

We have been involved in the liming program for borderline lakes, in co-operation with the Ministry of the Environment and the federal Department of Fisheries and Oceans. Liming does have an impact. There is some question as to how long the impact lasts, but it does have an impact on the pH level of the lakes.

Mr. Sweeney: Is there any evidence that you can correct the problem, or return the lake to its former state by using the liming process? Does it work in that sense?

Hon. Mr. Pope: It does not work forever to preclude the problem with acidification in the absence of a sulphur dioxide emission reduction program.

Mr. Sweeney: It is a temporary thing?

Hon. Mr. Pope: Yes.

Mr. Sweeney: Do you have correspondence or liaison with other jurisdictions?

Hon. Mr. Pope: Yes. In fact I was at North Carolina State University last fall, meeting with their forestry faculty. We were trying to get straight our scientific signals on whether or not the Black Forest problem was caused by acid rain or by plume contact. There was some controversy in forestry circles. Since then the Appalachians have seen similar signs of problems.

With the acid rain in forestry, for instance, the foresters from many jurisdictions are developing and will soon have a compendium of data and a consensus of opinion on whether or not acid rain affects their forests. We are doing similar things with scientific communities on fish and aquatic plant life. The Ministry of the Environment, I know, is doing its own communicating with other departments of the environment and environmental protection agencies in the United States on the water quality issues.

11:50 a.m.

Mr. Sweeney: Once you identify lakes that are particularly susceptible to acid rain, quite frankly, what can you do about them?

Hon. Mr. Pope: Other than giving them a temporary reprieve on a very selective basis, all we can do is accumulate the data and provide

them to the government to indicate the nature of the problem.

Mr. Sweeney: So it is really an ongoing analysis but not really a major recovery program?

Hon. Mr. Pope: Yes.

Mr. Sweeney: Does the fact that some lakes have natural lime in them, and I understand that those in the Kawarthas do, for example, mean they are able to resist the acid rain?

Hon. Mr. Pope: Yes. We select the areas for testing on the basis of the chemical compounds of the basic rock formations. You have basic rock formations throughout eastern Ontario all the way over to the Kawarthas and then it becomes less of a basic limestone rock formation compound. You know then that the lakes in these other areas are more susceptible to the effects of acid rain. That is where you concentrate your testing.

There is a natural buffer.

Mr. Sweeney: If you know there are lakes that are less susceptible—

Hon. Mr. Pope: Natural buffers, they call them.

Mr. Sweeney: Yes. Does that enable you, in any way, to do preventive work in other areas?

Hon. Mr. Pope: Yes.

Mr. Sweeney: In other words, can you learn something from that natural buffering?

Hon. Mr. Pope: I cannot say that we have learned much from it yet, other than knowing the limestone formations—that information on the chemical compound of lime helped us to reach the decision to do the actual liming of lakes.

Mr. McGuigan: Can I ask a supplementary here? The liming has to be only a partial solution because in the spring when the snow melts, and the acid has collected in the snow and extracts mercury and other things from the rocks, you are bringing those heavy metals into the lake and the acid is not—

Hon. Mr. Pope: You get heavy metals transferred into the water bodies from the bedrock as well, but maybe not at the same rate. For instance, a lot of the Temagami River watershed sits on an asbestos body.

Mr. McGuigan: So at best, it is only a partial solution.

Mr. Sweeney: My last question on this particular issue: what is your long-term prognosis on what is going to happen? What is the best scenario; what is the worst scenario? Also, how able are you to deal with it?

Hon. Mr. Pope: I do not think anyone is qualified to say. All I can tell you is that I sensed from the mid-west governors yesterday a more rapidly evolving consensus than would be indicated by the federal American administration, the consensus being the conglomeration of regional consensus. I sense a feeling they want a definite timetable for reductions.

I guess my long-term feeling is—irrespective of the antagonisms between our respective federal governments—that we are very close to having a North American consensus on reduction in any event.

Mr. Sweeney: Once we get that, the other evidence the corrective preventive work would seem to indicate is that there was some possibility of bringing some of it back. In the long term, are you saying that it is more positive than negative? I do not want to put words in your mouth.

Hon. Mr. Pope: Long term, I am hopeful that this situation is going to improve.

Mr. Sweeney: Mr. Chairman, I have two quick questions on this vote, more for information purposes. I notice on page 34 a reference to a grant to the Ontario Heritage Foundation. I am uncertain as to what that has to do with your ministry. Why are you involved in that?

Hon. Mr. Pope: The Ontario Heritage Foundation has access to private funding sources and other government funding sources. It is one of the vehicles we support and use to acquire lands in the province that have some significance. They may be escarpment lands; the Ontario Heritage Foundation has acquired escarpment lands. They may be flood plain lands. They may even be historical sites, but the Ontario Heritage Foundation is one of the more important vehicles used by a number of sources for land acquisition. The federal government is thinking of putting one of their own in with federal-provincial co-operation.

Mr. Sweeney: Okay, that makes sense then.

Second question, more for information purposes: I notice a fair bit of money put into the Wasaga Park community, something, something, something, whatever it is.

Hon. Mr. Pope: Wasaga Beach?

Mr. Sweeney: Yes, Wasaga Park community project. Looking at the kinds of things that are—

Mr. Chairman: Excuse me, if I may interrupt, I noticed in the book that that is out this year. There is no funding going into it this year. There was last year and I was going to ask why.

Mr. Sweeney: If I can put it in context, I asked, once again, why would this ministry,

rather than the Ministry of Municipal Affairs and Housing, be involved in that kind of issue at all? Why you?

Hon. Mr. Pope: There was land acquisition for the beach properties to create a park facility along the shores of the lake at Wasaga Beach for recreational purposes. The decision was made some years ago that, because there was property acquisition, the ministry should be involved in it.

Mr. Sweeney: To follow up on the chairman's question, that is now done and over with?

Hon. Mr. Pope: I think there are some holdovers with respect to some additional servicing issues that do not directly relate to us, but I think the majority of our work is finished.

As you are probably aware, there was an article in the Star last year about the last couple of properties; one of them was the widow of a former Star employee. We ended up solving that one by moving the last two or three home owners to adjacent properties we acquired, and that allowed us to finalize the acquisition program and the park development program. Once we finalized the land acquisition and got the parking areas set, we were ready to roll.

Mr. Sweeney: With regard to your involvement, then, you are dealing solely with the park, not with the Wasaga Beach community, per se?

Hon. Mr. Pope: That is right, for the land acquisition.

Mr. Sweeney: Okay, that was where the—

Hon. Mr. Pope: I have the answer on the splake program. Who asked me about splake? Mr. Miller?

Mr. G. I. Miller: Yes.

Hon. Mr. Pope: From 1957 to 1983, that is 26 years, the cost was \$4,028,600. The estimated annual program cost is now \$380,000 a year, including research and assessment.

Over 90 per cent of the total research costs were incurred during the period 1957 to 1977 for the early development work. That research cost was \$1.19 million.

The production of the lake trout back cross occurs at the Chatsworth fish culture station in Owen Sound, with some advance rearing taking place at Sandfield fish culture station on Manitoulin Island.

Mr. G. I. Miller: Are those facilities being utilized now?

Hon. Mr. Pope: Yes. Sandfield is also used in other things. Some of the other ponds are used for other species like lake trout.

Mr. G. I. Miller: Was the fish hatchery at Turkey Point utilized in the program at all? Was that strictly for trout?

Hon. Mr. Pope: No, not on splake, I do not believe. Just those two.

Mr. G. I. Miller: I guess there are a lot of other areas we could really zero in on, but time restraints do not give us an opportunity to examine everything as carefully as we would like. Thank you.

Another question I asked yesterday was about the water levels, but I do not know if we have time for that. Do you have an answer on that, particularly for Lake Erie?

Hon. Mr. Pope: Yes, I do. The Lake Erie levels are uncontrolled. They do chart the water levels and it is the Department of Fisheries and Oceans, Ottawa. They put out a book on daily mean water levels, in metric. The government of Canada provides data as well, prepared by the Canadian hydrographic service, Department of Fisheries and Oceans, and the inland waters directorate of the Department of the Environment.

Mr. G. I. Miller: You say Lake Erie is not controlled. Lake Ontario is controlled?

Hon. Mr. Pope: It would be controlled at the output end by the St. Lawrence Seaway Commission, with some input from the federal government.

Mr. G. I. Miller: If it is controlled, the input must be controlled too, must it not?

Hon. Mr. Pope: No, you can control output and not have input control.

Mr. G. I. Miller: Yes, okay.

12 noon

Hon. Mr. Pope: Lake Superior is done at Marquette, Michigan.

Mr. G. I. Miller: Can we have a copy of that?

Hon. Mr. Pope: Sure. I will give you all this stuff.

Mr. Sweeney: How can you control one lake and not all of them?

Hon. Mr. Pope: Lake Superior would be controlled through a number of structures located in the Sault Ste. Marie-Marquette, Michigan, area. Lake Michigan level would be controlled through the Chicago diversion system based on output. Lake Ontario would be controlled through the various dam structures in the Cornwall area.

Mr. Sweeney: The fact that they are all interconnected does not indicate that a single control mechanism affects all of them.

Hon. Mr. Pope: That is right, but you can have backups, so there can be an impact.

Mr. G. I. Miller: About the Ogoki diversion, at the upper end, feeding into Lake Superior, what controls that?

Hon. Mr. Pope: Ontario Hydro controls it. No, I am wrong. Just a second. I had that answer, too, the other day.

There is a control board, with federal and provincial appointees, that actually has responsibility to control the diversion. I cannot remember the name of the control board, but there is an actual agency.

Mr. G. I. Miller: They said that, thanks to the Ogoki diversion, in 1950 the Great Lakes rose four to five or six feet higher. Floods were everywhere.

I wonder who controlled that diversion. According to these figures, it indicates that it does control the input into the Great Lakes.

Hon. Mr. Pope: I am not saying the Great Lakes level is not impacted by different control devices. I think your question was whether Lake Erie as a water body has its level controlled. It does not.

There is a whole myriad of boards and agencies, national, international and provincial, that have some authority. What you have to try and do is get them all marching to the same tune. The International Joint Commission monitors performance and makes recommendations on change of policies from time to time. I remember reading about that two days ago.

Mr. McGuigan: Commercially speaking, those changes are not controlled. You are saying those changes are permanent?

Hon. Mr. Pope: You will get fluctuations.

Mr. McGuigan: Naturally you will get some fluctuations, from weather and so on. On this diversion Gordon is talking about, you are saying that is an accomplished fact, and you are not going to change it by altering the—

Hon. Mr. Pope: That is right.

Mr. G. I. Miller: There is some control—

Hon. Mr. Pope: What they did, just to explain, was to reverse the flow. It was flowing into the Arctic watershed, and they reversed the flow into the Great Lakes basin.

Mr. G. I. Miller: Apparently it still is in a position to go either way.

Hon. Mr. Pope: Here it is. There is a Lake of the Woods Control Board. I will have to get the name of the other one, but there is an Ogoki board as well. This Lake of the Woods Control

Board is made up of members from "Manitoba, Canada, Ontario and is responsible for the regulation of levels of Lake of the Woods and Lac Seul, and Lake Winnipeg and the English River from the lake to their confluence in accordance with legislation and an international treaty."

Different groups have been recognized as being affected by lake control regulation and have been admitted to board meetings. They include Grand Council Treaty 3, the outfitters association in the area, Boise Cascade, the hydro companies, utilities of Manitoba, Winnipeg, and Ontario, camp owners associations and property owners associations.

We also have an Ottawa River Regulation Planning Board, established by agreement between Ontario, Quebec and Canada in 1983. I signed that agreement. It is composed of personnel from three governments and provincial hydroelectric generating agencies and is responsible for formulating guidelines and criteria on water management from the basin to reduce flooding.

The plan itself was published in March 1981. In all of these diversions of watersheds you tend to get regulatory committees with all of the players sitting on them.

Vote 2603 agreed to.

The Chairman: We have two other votes to deal with. One is the resource products program, which includes mineral management and forest management; and the second vote is the resource experience program, which includes the Junior Rangers, the Experience '84 program and the Leslie M. Frost Natural Resources Centre.

Do you want to spend all of your time on the first of those two votes or does anyone wish to discuss the resource experience program?

Mr. Sweeney: I have a couple of questions, Mr. Chairman.

Mr. Chairman: On the experience program?

Mr. Sweeney: No.

Mr. Chairman: I would think more time was going to be spent on the resource products program than on the resource experience program.

Mr. Sweeney: For 2605 I have only one question. That is the one we seem to bring up every year with respect to the Junior Rangers.

Mr. Chairman: Let us reserve at least 10 minutes at the end for the resource program. Is that okay?

Mr. Sweeney: Okay, you are going to leave 10 minutes? That is all it will take.

Mr. Chairman: We have 45 minutes to spend.

Let us go into vote 2604 which is the resource products program.

On vote 2604, resource products program:

Mr. Sweeney: I would like some updating from this ministry's point of view on the development of the resource machinery industry as a result of the technology centre set up in Sudbury.

What has come out of that? I realize the technology centre itself is not the responsibility of your ministry, but I also know that the future of the resource machinery industry obviously is going to impact on your ministry.

From your ministry's point of view, can you give me an update as to what is happening, where it is going and what its future is?

Hon. Mr. Pope: I think it was slow in starting—that is a personal opinion—but it is now doing good work. I am starting to hear about more and more arrangements being entered into. More information is being provided about industrial property and protecting patents. It is introducing inventors to manufacturers for getting marketing information, and introducing potential new machinery to the forest products and mining industries. It is starting to develop more of a profile in northeastern Ontario.

I am aware of a couple of machines that are in the development stage, based on arrangements that have been made with the Ontario Centre for Resource Machinery in Sudbury. I think it is coming along.

I have tried to emphasize, in talking about what its mandate should be, that there are a lot of good manufacturers of resource machinery up north that could expand if they had the right encouragement, the information and the right guidance and advice.

Mr. Sweeney: From whom?

Hon. Mr. Pope: From this centre and from the government through the centre. I think that is starting to happen.

The reality is we did not fall behind in resource machinery in Ontario because we were not doing the development work here; we were falling behind because we were doing the development work for others who kept the patents and industrial property rights to themselves. We were doing a lot of experimentation and development work in forestry and mining. Other companies from outside Ontario were getting the benefits. We had to reverse that.

It was simply a case of information, legal and marketing advice. I think that centre is starting to fulfill that role.

Mr. Sweeney: To what extent is your ministry involved at all?

Hon. Mr. Pope: We provide advice to the centre on where we are heading in reforestation and on our demands for equipment to be used in the forest, things such as tree planters and the kind of tires that scarification equipment should have, the kind of thinning machinery needed, and the mechanization to handle containerized seedlings in the future so they do not all have to be handled by hand in trays. We are involved in giving this kind of advice to the centre and to individual businesses.

12:10 p.m.

Mr. Sweeney: As a minister who not only represents northern Ontario to a large extent but who also lives there, what is your personal sense of the genuine future, not just an ideal hope, of a resource machinery industry in northern Ontario?

Hon. Mr. Pope: I think there is more resource machinery production there than people realize. It is true that much of the large-scale, surface, open-pit equipment is from the United States and Germany. It is true that for some of the new technology in pulp and paper mills that have been put in place in the modernization program, the available technology was from Sweden. That tends to distort what is actually going on.

You get a major \$105-million purchase by Abitibi-Price of a Swedish mill. You get a major purchase of technology from Japan for the processing of zinc concentrates from the Mitsubishi people. That tends to distort the numbers, but if you look at the numbers of operators and producers and fabricators of resource machinery up north, we have a substantial industry that has not been recognized.

If anything, I think its role is going to increase. Bradley Brothers, for instance, does a lot of innovative work in the fabrication of mining equipment, stuff that would not be discussed in public, and in fact has significantly enlarged its operations in the north. Just a year ago—no, two years ago—it opened a new facility in Timmins. New operations in Sudbury have also opened recently, so I think there is an expansion taking place.

Mr. Sweeney: On another topic altogether, the minister will probably recall—I cannot remember whether it was last year or the year before—that we discussed the question of forestry companies, logging companies, going in and cutting great swaths of timber and leaving behind

a fair bit of useful material. At least one would think it would be useful material.

I recall your answer was that we are working to prevent that from ever happening again. Precisely what have you done in the last two or three years to prevent that kind of cutting, that kind of leaving behind what would appear to be good timber, just because it was inconvenient to take it out?

Hon. Mr. Pope: We have allocated species not being used by the licensee to third parties, with some degree of success. In this way we are getting greater species utilization and that has led to the construction of some new waferboard plants. I guess the newest one was in Mr. Havrot's riding last year. There was an announced expansion of an operation in the Sudbury area.

There is some debate over whether you should hold the tree harvest and ship or whether you should leave slash in the bush for its nutritional value.

Mr. Sweeney: Excuse me, I am not talking about slash. I am talking about logs, full-sized logs, just left there for no apparent reason but that they are too lazy to take them out, or because it is inconvenient.

Hon. Mr. Pope: As I was going to say, we feel the best way to handle that is through some changes in the wasteful practices regulations. As I indicated to Mr. Reed earlier on, we are about to announce a new process of monitoring and penalizing wasteful practices based on the Bird recommendations, which are going to be made available to the public in the very near future.

These have been the negotiations that have gone on with the industry over the last two years, and we hope that kind of problem is going to be resolved. In terms of wasteful practices, though, the major problem is the failure to use all the species and the leaving of slash in the bush, whether or not it is necessary.

One of the ways in which we have also encouraged better utilization is by working with the pulp and paper industry, particularly on licence transfers, to increase the percentage of chips used in their production; that is, the chips that constitute a feed for their pulp and paper mills, as opposed to logs. That allows for more cross-utilization between the sawmills and the paper mills than before.

One of the conditions of the transfer of the Marathon mill to James River, for instance, was that a percentage of feed to the mill should be chips. That led to some contracts being executed between the Chapleau operators and a number of

operators in north-central Ontario and James River for the supply of chips. That has the effect of improving utilization.

Mr. Sweeney: A concern was expressed about the same time we were discussing this issue regarding areas literally becoming desert because they have not been properly replanted.

Hon. Mr. Pope: Yes.

Mr. Sweeney: To what extent has that been corrected?

Hon. Mr. Pope: First of all, no land is being written off for regeneration. There are no deserts. The argument is whether we have the right kind of species growing back on the land that has been harvested.

The size of clear-cut has been reduced because of the forest management agreement system, which now covers close to 50 per cent of the licensed areas of the province. The clear-cuts have been limited because of other resource values that we have decided are worthy of protection, based on advice given to us by other interest groups and local people, for wildlife habitat, for travel corridors, for nesting sites, for cottage areas, for sensitive spawning areas, for any number of values. You could take any map that is released under the FMA process and see how that has changed.

In addition, on travel corridors we encourage strip-cutting as opposed to clear-cutting and block-cutting in some areas. It is all being done in the field on a case-by-case basis, based on information provided at open houses and on the opinions of other departments of the ministry. We feel we have a better handle on it.

As to permanent deserts, all I can tell you is that when I became minister we were planting 80 million seedlings in this province and cutting 60 million trees. We are now cutting 60 million trees and planting 150 million seedlings.

Mr. Sweeney: Your ministry introduced a program a few years ago, almost a lottery system, of people getting cottage property in areas that heretofore were not accessible. Is that still going on? What happened to it?

Hon. Mr. Pope: It was suspended in 1981, as a minister's decision, for three reasons. First, there is too much confusion over acquisition systems. We had different standards of lease, with options to purchase and straight purchases and 21-year leases, all sorts of different types of legal arrangement. We wanted some consistency, because people were getting frustrated.

Second, there was not enough discussion and disclosure at the front end of the process as to the

costs of road access and road maintenance and garbage disposal maintenance and who would bear those costs.

Third, we thought the 60 per cent shoreline coverage was environmentally too much. In some lakes, it was resulting in some impact on water quality that we do not think the government should allow to happen because of a decision made in the Ministry of Natural Resources. So we designed a program we think is going into effect by the late summer, to make some additional cottage lots available, but all the criteria will be up front. There will be no confusion.

Mr. Sweeney: That is this summer, 1984?

Hon. Mr. Pope: Yes.

Mr. Sweeney: How is that information going to be made available?

Hon. Mr. Pope: There will be public news releases and some mailings out to different interest groups to alert them to it.

Mr. Sweeney: I was asked by a couple of constituents what happened to that program. They did not know whether there was a successor program. That is the basis of the question.

Hon. Mr. Pope: Generally, we are going for around 40 per cent lakefront coverage now, as opposed to 60 per cent. Even that might alter, based on the width of the lake and the water area of the lake.

12:20 p.m.

Mr. Sweeney: I have one last question that was raised earlier, I think by one of the members of another party. I did not catch the answer, so perhaps you could give me a brief version of what you did answer. It is with respect to the junior mining business.

I understand that at one time it was flourishing and then it was cut off because of a lot hanky-panky, but it was brought back again. Where is it at? What is happening to it? To what extent are you influencing it?

Hon. Mr. Pope: There are some improvements in junior listings. We are moving cautiously. Some junior resource companies have been listed in the last couple of years on the Toronto Stock Exchange. They have gone through the Ontario Securities Commission process in an expeditious manner. The chief executive officers of those companies have expressed some support for the program and some feeling they had been treated properly by the authorities.

There is a listing program being worked on for the resource sector that will place some limitations on dollar value, and we are trying to get the

industry people, together with the Ministry of Consumer and Commercial Relations, to resolve any detailed differences of opinion.

We still maintain, however, that we have an obligation for disclosure and we think the Vancouver exchange, although it performs some function, has also had some weaknesses that are becoming apparent.

Mr. Sweeney: There was a time when there was literally no mining development because this investment vehicle was not available. Was a decision made during the period when there was no alternative that you had to bring it back if you were going to get mining exploration going again in northern Ontario?

Hon. Mr. Pope: No. Mining exploration doubled in 1980 over 1979. It was constant in 1980-81, then it doubled in 1982 and doubled again in 1983. In claims staked and reported and assessment work in constant man-day terms being done on mining lands we were already into a significant upturn even before and while this issue was going on.

Mr. Sweeney: Obviously, that had nothing to do with that market. What did trigger it then? How can we use that information?

Hon. Mr. Pope: Some of the geological survey work that was produced by our field staff was being used by prospectors and developers. There was an upturn in the precious metals market around that time for a number of reasons. Therefore, there was heightened interest in developing precious metals deposits in Ontario, and an assessment of the investment climate by the private sector.

Do not forget the Ontario mineral exploration program also went into effect in 1979. That provided for 25 per cent grants in lieu of any tax incentives or tax reforms to encourage prospecting and developing junior mining—the Ontario mineral exploration program provided 25 per cent grants on allowable exploration expenditures. We have had a lot of action under that program.

Mr. Sweeney: Again, I am referring to the general field of education, which I know is not your responsibility. To what extent does your ministry influence the Ministry of Colleges and Universities with respect to the kinds of programs made available to students in northern Ontario, particularly at universities such as Lakehead and Laurentian, and with respect to mining and forestry programs in the community colleges? What is the interaction between the two ministries?

You probably remember there was a big hassle not too long ago when the University of Toronto got that big resource centre.

Hon. Mr. Pope: First, we as a ministry fund research grants, and we select universities that have some capacity in the resource sector. That includes Lakehead, Guelph, the University of Waterloo, the University of Toronto, Haileybury School of Mines, and Laurentian. We provide advice on our long-term research needs to the Ministry of Colleges and Universities and indicate some estimate of manpower needs in the future.

In addition, we had a hand, along with the Ministry of Colleges and Universities, in the modular training program for underground miners and in some of the training programs for timber scalers in the resource sector. We worked with them in developing the program, the course content and in estimating future needs.

Finally, we were the sponsors of some of the section 39 retraining programs under the Unemployment Insurance Act, and we got advice from the Ministry of Colleges and Universities apprenticeship branch to make sure those programs were fully utilized by unemployed resource workers.

Mr. Chairman: Are there any further questions on this item?

Mr. McGuigan: I have one that, with a bit of stretching, could be on it, because you deal with the Algonquin forest. It concerns a group at Rondeau Provincial Park that submitted a proposal to you for cottage lots under the heritage fund.

Hon. Mr. Pope: The answer is no.

Mr. McGuigan: Did you look at it and give it serious consideration?

Hon. Mr. Pope: Yes, I reviewed the decisions going back to 1958 on Algonquin Provincial Park and Rondeau. At this point we cannot change the program, in fairness to all the others who have gone before. It is the same with Algonquin as it is with Rondeau.

Had I been involved in the initiation of the program, we might have looked at something like that, because it is being done in the United States with some success. I think it is a little late to be reversing almost 30 years of decision-making that affected many hundreds of cottage owners who are now no longer there because of our decision.

Mr. McGuigan: I also reviewed it, and came to the same conclusion as far as the decisions made in 1954 were concerned. If you could set

that aside, and look at the program as a fresh program, it seems to have some attractive features.

Hon. Mr. Pope: Yes, I absolutely agree. If we were starting again I would want to look at it and work on it.

Mr. McGuigan: Does that not open it up? It is too bad to be saddled with a policy that might be outdated.

Hon. Mr. Pope: The consequences of opening it up for all those others who have been affected are even graver. I do understand. It is one of those unfortunate issues where it appears we are making a heartless decision, but I do not see any option.

Mr. McGuigan: Is it a proposal you could put on the shelf?

Hon. Mr. Pope: We are going to look at such proposals. In fact, in the development of the Woodland Caribou wilderness park, some of these proposals are already being used. In other words, when we develop new park facilities, there will be new decisions about parks. We have looked at some of those ideas and we are using them.

Mr. McGuigan: I appreciate what you are saying, but it is too bad that we have to be bound by that decision, which at the time may have been a good decision.

Hon. Mr. Pope: Yes, it is a hard decision.

Mr. McGuigan: Are there not other areas where we sometimes reverse ourselves?

Hon. Mr. Pope: Yes, the only problem is that here people have been affected. Many people have been affected by our decision over the last 30 years. How do we redress what has happened to them if we change our policy now?

Vote 2604 agreed to.

On vote 2605, resource experience program:

Mr. Sweeney: With respect to the Junior Ranger program and that unfortunate fire we had at Nakina, there are certain strings still hanging from that. Are they in the public domain yet? Are you as minister completely satisfied, obviously not with what happened but with what has been done since then? Are you completely satisfied that it is unlikely to happen again? Are you completely satisfied that where there was some neglect it has been looked after? Where are you at with that whole thing?

Hon. Mr. Pope: All the cases have been settled, every single one.

Mr. Sweeney: The legal cases?

Hon. Mr. Pope: Yes, and payment has been made. I may be corrected later on this, but I think the people from our permanent staff who were with us were seasonal employees who are no longer with us that I am aware of.

In addition, we have a policy of not using Junior Rangers for controlled burns. That policy has been in place since 1980. We filed the guidelines or the criteria for controlled burns by regular staff with the Legislature in 1981. We use those criteria to make the decision to do it and on how it is done. The process that is to be used is all a matter of public record now. We monitor performance under the criteria.

Mr. Sweeney: In so far as you are able to control any human activity, is it unlikely that this could be repeated with your present regulations and control systems?

Hon. Mr. Pope: That is right.

Mr. Sweeney: Legally, the cases—

Hon. Mr. Pope: They have all been paid, the costs have been agreed upon and paid. We went back and upped the ante on some of our initial settlements to bring them in line with some of the later settlements. I think other than a few personal opinions about the ministry and how the thing was handled, which may be addressed in other forums than the courts, all the legal issues have been resolved.

Mr. Sweeney: With respect to the Junior Ranger program generally, is this something that is expanding, growing? What is the future for it?

Hon. Mr. Pope: The budget is expanding. The numbers have remained constant at 1,716 over the past three years. Any additions have been more of the experience kinds of jobs. We had to bring our salaries in line with government policy.

Last year virtually everyone who applied was admitted to the program. I think it is too early at this point to say that is the case, but we should know soon. There are some people who have been turning down Junior Ranger offers who had made applications. Our lists of people waiting to get in are diminishing.

Last year, as I say, I can tell you that after everyone who applied accepted a position, there was no one left on the waiting list.

Vote 2605 agreed to.

Mr. Chairman: This completes consideration of the estimates of the Ministry of Natural Resources.

I would like to thank members of all parties for their co-operation, which allowed us to get out of here 15 minutes early.

The committee adjourned at 12:32 p.m.

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No. R-14

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament
Thursday, June 7, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, June 7, 1984

The committee met at 8:05 p.m. in room 228.

ESTIMATES, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

Mr. Chairman: Members of the committee, if everybody will have a seat, I think we are ready to proceed.

In this particular room we often have difficulty in running the air conditioning and Hansard electronics at the same time. However, I am informed that if those who wish to speak will speak directly into their microphones, Hansard is still in business to pick it up and we can leave the air conditioning on. We may come to the point where we will have to cut the air conditioning off because of our electronic problems.

Those are my only introductory remarks, and we will now call on the Minister of Municipal Affairs and Housing (Mr. Bennett) for his opening statement. We in this committee found that this set of estimates worked extremely well last year. The minister read his statement and we had responses from the opposition parties. Then we swung immediately into the various votes with the people from the ministry who were involved in each particular vote; they simply made presentations and we responded to their concerns or topics as we went along.

Mr. McClellan: Mr. Chairman, with your indulgence, the member for Oshawa (Mr. Breaugh) and I share critic responsibilities, so with the indulgence of the committee we will split the leadoff remarks equally between us, as we did last year.

Mr. Chairman: That sounds like a great idea. Is the member for Waterloo North (Mr. Epp) the Liberal critic for the whole of Municipal Affairs and Housing?

Mr. Epp: Yes.

Hon. Mr. Bennett: Mr. Chairman and committee members, just six months ago almost to the day we met to review my ministry's estimates for the fiscal year 1983-84. At that time the committee agreed to approach our examination of the estimates in a new and what we thought was a more useful and progressive way of doing things.

In an attempt to allow committee members to explore the operations of the ministry in some

detail, we reduced the time for formal presentations by me and I think to some degree by the critics of the opposition parties as well. I spoke with the opposition critics and they agreed that the format we used a year ago should be followed again in the current year.

Mr. Epp: We always co-operate.

Hon. Mr. Bennett: I appreciate that.

Mr. Chairman: It would have been nice of you to advise the chairman too.

Hon. Mr. Bennett: I thought I did advise the chair.

Mr. Chairman: Yes. I heard just as we were passing in the hallway today. Thank you very much.

Hon. Mr. Bennett: I also spoke to you several weeks ago when I spoke to the member for Waterloo North and some of the others about the situation.

Members will recall, I am sure, that I made some brief opening comments a year ago; the openings for the critics followed; then at the beginning of each vote, as has been mentioned, I made a short statement and introduced some of the ministry personnel to highlight their work with a short presentation. In some cases it was a visual presentation, in others it was just an overview of the situation within their division of the ministry.

All in all this approach seemed to find favour with the members of the committee, and I say again to the committee members that I am pleased they have accepted my following the same pattern in presenting the estimates this year. I am prepared to proceed with my opening remarks, which are largely a positioning of this year's budget figures vis-à-vis those we discussed in December 1983.

First, members will note in the printed estimates for the fiscal year 1984-85 that the ministry's total financial requirements are just over \$1 billion, including program funding, salaries, benefits and other operating expenses, but they are approximately \$3.4 million lower than in the previous year.

This, of course, is a net figure. It takes into account expenditure decreases relating to the planned winding down or completion of certain programs and government expenditure con-

straints, as well as increased allocations to other programs that are ongoing.

The total decrease in 1984-85 program funding amounts to approximately \$62 million.

To a large extent, this reduction is attributable to the planned winding down or completion of programs such as the neighbourhood improvement program; the federal community services contribution program for neighbourhood improvement projects and municipal nonprofit housing; the Ontario downtown revitalization program; the main street revitalization program; the Ontario rental construction loan program; and the Ontario renter-buy program.

Offsetting the \$62-million expenditure decrease in the fiscal year 1984-85 are program funding increases amounting to approximately \$59 million.

These are mainly attributable to increased allocations for the Ontario neighbourhood improvement program, the new commercial area improvement program that replaces the downtown and main street revitalization programs; the Ontario Land Corp. and its development; the nonresidential rental conversion program known as the "convert to rent program;" the rent supplement program; the rent reduction grants to nonprofit housing groups; operating subsidies for rent-geared-to-income units in private and co-operative nonprofit housing projects; payments to municipalities under the Municipal Tax Assistance Act; and unconditional grants to municipalities.

The largest single budget increase in the fiscal year 1984-85 is the \$36.5 million in unconditional grant payments to municipalities, which bring the total unconditional grants to all municipalities to \$714.5 million.

You will note in the background material we have provided that the ministry's human resources requirements have decreased by some 50 classified positions and 33 unclassified contract staff compared to fiscal 1983-84. This is a reflection of our continuing efforts to improve productivity, streamline operations and rationalize the ministry's organizational structure.

This reduction has involved 36 employees being declared surplus. I am pleased to state that most of these employees have now been re-assigned to vacant positions in the ministry or in other ministries.

The 1984-85 base for other direct operating expenditures for transportation, communications, services, supplies and equipment also decreased by approximately \$2.2 million compared to the 1983-84 estimates, excluding

provision for inflation. This, too, is indicative of our efforts to improve operating efficiency and economy across the ministry.

I am almost ready to move on to the individual votes, but would make one final note: some of the ministry staff is here to provide information to the committee at the appropriate time. Over the course of the estimates that we will review with the committee, it will be a pleasure for me to introduce these senior staff members from our ministry.

In a very proud and pleased way, I say that I believe our ministry has a very strong team of dedicated staff, and I am always glad to have an opportunity to show them to the members of the provincial Legislature so they get to know the people who phone them or write to them during a given year.

I trust these opening remarks are short enough but complete enough to cover the highlights of the budget we are going to deal with.

Mr. Chairman: Thank you. It is a bit of a breath of fresh air to have such brief and concise remarks from the minister. I trust the opening statements of the opposition parties will be similarly concise and brief.

Mr. Epp: I take it that you are going to make a separate statement about the first vote, or is that the extent of the first vote in the estimate?

Hon. Mr. Bennett: I would think that is part of the first vote, unless you feel there are some areas you wish me to go back and cover, which I am prepared to do.

Mr. Chairman: As we proceed.

Mr. Epp: I appreciate the brevity of the minister's statement with respect to the estimates, however I am disappointed he has not addressed some of the questions I have put on the order paper during the past year. It was indicated to us, in the strongest terms, that the minister would address these during estimates. We subsequently sent him a letter asking him to address, in his opening statement of the estimates, a number of questions which he has completely excluded.

For the record, I might remind him that on March 23, 1984, the following letter was sent to him:

"I am enclosing a copy of a series of questions which I have placed on the order paper relating to your ministry. A number of these questions were asked last year by way of the order paper which your ministry declined to answer on the grounds that these questions were more properly the subject of discussion during committee delibera-

tions of ministry's estimates. Such a reply I find totally unsatisfactory and indeed lacking any logical basis whatsoever.

"However, if it remains your intention that such a policy apply to the order paper questions which are herewith enclosed, then I would like this letter to serve as notice of my expectation that you will provide answers to these questions in your opening statement of your ministry's estimates.

"These questions, which I have placed on the order paper, relate specifically to spending practices by your ministry. I trust that you will agree that the members of the Legislature and the public at large have the right to an accounting of how taxpayers' moneys are spent."

That letter, as I indicated, was sent on March 23, and we had some expectation that you would try to address the questions that were on Orders and Notices and which we enclosed with the letter. You have not addressed any of those questions and I would like to know why.

Hon. Mr. Bennett: Was that the opening statement from the Liberals or are we going to get into questions and answers?

Mr. Epp: I would like to get into questions and answers but I would like some kind of response.

Hon. Mr. Bennett: You want questions and answers, Mr. Epp. In fact, I also am prepared to respond to your further correspondence.

To put it very clearly, I would be glad to forward the answers as we proceed through the estimates.

Mr. Epp: What you are saying is that we have to specifically put each question to you and you are going to specifically give us the answer for each question.

Mr. Chairman: I do not know if it will be necessary for you to re-put the questions, Mr. Epp. The questions are there. I think the minister is aware of the various questions; I would hope he was, and would deal with them as we go through the particular estimates or votes.

Mr. Epp: We extended the courtesy to the minister by relaying the questions to him so he could prepare the answers. We had some expectation, and logically so, that he would extend that same courtesy to us by giving us some answers to the questions we provided.

Obviously, he has not given any answers and he has the questions. If I am going to have to put each question and get an answer from him, that is going to take some time. We could have cut down on it.

Hon. Mr. Bennett: First of all, we are reviewing 1984-85 estimates, if I understand correctly. Now we are going back to some historic factors, parts of ministries which do not relate to anything here tonight. I am referring back to 1980-81 when it was not the Ministry of Municipal Affairs and Housing. You will recall we had the Ministry of Intergovernmental Affairs and the Ministry of Housing as two entirely separate entities.

I did not say I would answer the questions automatically at estimates. That was your request, but I did not say that. I said that during the estimates period I would be prepared to review them.

Mr. Epp: I think we are playing games here. We were told, in response to the order paper questions, that these questions could be raised properly during estimates. You are now saying that because we are dealing with 1984-85 estimates it is therefore improper to ask about any information prior to that time. That is the implication of your answer.

Hon. Mr. Bennett: I thought I made it clear that there were certain parts of your question I could not answer, even when we get down to the specific questions, whether it be tonight or later on, for the simple reason we do not have the figures relating to the Ministry of Intergovernmental Affairs.

Mr. Epp: Let us start with the first question and you can tell us when you do not have the answers.

Hon. Mr. Bennett: Are we in opening statements or in questions, Mr. Chairman?

Mr. Chairman: I would like to know that too.

Mr. Epp: If I say I am on my opening statement, when the NDP get their opportunity to make their opening statements they are liable to take an hour or an hour and a half, prejudging from previous periods. I do not want to be shortened on the time that I have.

It is nice to be a nice guy and let the NDP take most of the time, but in the final analysis—

Mr. Breagh: Do not be a nice guy. Go for it. Stop being so wishy-washy. Do your job. Do you want me to write it out for you?

8:20 p.m.

Mr. Epp: No, I do not need to have you do that. It might not be very proper anyway. I want to get some of the answers to the questions. I would just as soon proceed now and use up some of my time trying to get answers to the questions.

Mr. Chairman: Mr. Epp, I was going to suggest for your assistance that it might be better

for you when you get to specific votes, because I think you—

Mr. Epp: We have a specific vote.

Mr. Chairman: It is one that allows a lot of latitude. I agree with that, but we are still on opening statements. Perhaps you would like to reserve your time for certain questions that I have not reviewed. I will be honest with you; I have not reviewed all the questions. Certain questions might fall specifically under certain votes. It might be better to use your time there.

Mr. Epp: All these questions are related to administration and therefore they relate to vote 2501.

Mr. Chairman: To the opening vote?

Mr. Epp: They are related to that, yes Mr. Chairman.

Mr. Chairman: Fine; no problem.

Mr. Epp: I appreciate your sensitivity to the delicacy of having everything in proper order and I will try to live up to that, but do not throw it, I may catch it. We will follow your lead on this and I will have the proper questions if the minister has the proper answers.

Mr. Chairman: We would like to restrict the questions and answers on the opening statements to as little time as possible. I am not prepared to state how much time is going to be allotted to each of the opposition parties for response. I do not think I should have to do that.

Mr. Epp: I have the same sensitivity about trying to use our time efficiently, but as you know, these questions were sent to the ministry earlier and I think you should be talking to the minister. He could have saved us a lot of time by having here the answers to questions he has had for some months now. With all the fine staff he has, I am sure they would be more than eager to get us the answers if only they had direction from the minister. He may well have the answers in his folder and is just being a little difficult.

Mr. Chairman: Why do not we do this? Why do we not have you place one of the questions and we will see how it works?

Mr. Epp: Question 1(1). Would the Minister of Municipal Affairs and Housing indicate the amount spent by the ministry for (a) management consulting services, (b) technical consulting services, (c) communication services, (d) legal services, (e) research and development services, (f) creative communications services, as defined by the Management Board of Cabinet Manual of Administration, for the fiscal years 1978-79 to 1982-83 inclusive? Perhaps he will want to add

1983-84 and 1984-85. (2) Would the minister indicate the number of contracts involved in each of the categories and for each fiscal year as outlined above? (3) Would the minister, for each of these contracts, name the individual, individuals, companies or firms awarded the contracts and indicate whether or not the contracts were tendered?

That is pretty straightforward and it is something—

Mr. Chairman: I guess we are still on opening statements of the opposition, but if this is how you wish to use your time, that is fine with me, if it is okay with the minister. Mr. Epp chooses to use his time by having some of these questions answered.

Hon. Mr. Bennett: Let us get to the series of questions and the opening statement and we will come back and answer them, as we have in the past, when we have rebuttal, if that is what you wish to call it, from the minister in relation to the opening statements.

Mr. Epp: You want me to put all the questions on the record now?

Hon. Mr. Bennett: Mr. Epp, that is your choice, not mine.

Mr. McClellan: Why did you not submit them in writing?

Mr. Epp: I have already done that. We have done it on two occasions. The last time we were told that we should do it during estimates. In all fairness, we asked the minister to try to respond to these questions during the opening statement and he did not respond to them. Now he says we have to do it again, so we will do it again.

Mr. Chairman: Mr. Epp, other than the answers you are seeking to these questions, is there anything else you would like to put on the record by way of an opening statement? If not, we will permit you to go ahead.

Mr. Epp: I will go through the questions and we will proceed from there.

2. Would the Minister of Municipal Affairs and Housing indicate the number of people who are employed by the ministry, by contract or otherwise, who are not classified as civil servants? Would the minister indicate the total cost incurred for these services for the fiscal years 1981-82, 1982-1983 and 1983-84?

3. Would the Minister of Municipal Affairs and Housing indicate how many vehicles are rented, leased or owned by the ministry? What is the expense incurred and description—model and year—of each vehicle owned, rented or leased by the ministry?

4. Does the Minister of Housing and Municipal Affairs parliamentary assistant have access to government-owned, chauffeur-driven limousines? On what basis and conditions?

5. Would the Minister of Municipal Affairs and Housing outline the number and destination of all trips taken outside of Canada by the minister, the deputy minister and the assistant deputy ministers at public expense for each of the fiscal years 1981-82, 1982-83 and 1983-84? Would the minister outline the members of staff and any nonministry personnel who accompanied the minister, the deputy minister and the assistant deputy ministers on any of these trips? Would the minister indicate the purpose and cost of each trip headed by the minister, deputy minister or assistant deputy ministers? How many direct jobs have been created in Ontario to date as a result of each trip?

6. Would the Minister of Municipal Affairs and Housing table the public opinion polls commissioned by the government during the fiscal years 1981-82, 1982-83 and 1983-84? Would the ministry indicate the cost of each poll, the company that took the poll and whether the undertaking was tendered?

7. Would the Minister of Municipal Affairs and Housing specify: (1) The number of employees directly responsible for communications with the public and press and the total salaries in the communications/information branch of the ministry in any of its categories and any of its agencies, boards and commissions, for the fiscal years 1982-83 and 1983-84; (2) The number of clerical and support staff and contract staff who assist communications officers and their total salaries for the fiscal year 1982-83; (3) The number of employees directly responsible for communications with the public and press and total salaries in the communications/information branch of the ministry and any of its agencies, boards and commissions for the fiscal year 1977-78, if applicable; (4) The number of clerical and support staff and contract staff who assist communications officers and their total salaries for the fiscal year 1977-78; and (5) whether the minister has a personal media adviser or advisers and, if so, what salary or salaries the adviser(s) received for the fiscal year 1982-83?

8. Would the Minister of Municipal Affairs and Housing indicate: (1) What was the total advertising budget for the ministry and its agencies, boards and commissions for the fiscal years 1982-83 and 1983-84; (2) What was the comparable advertising budget for the fiscal

years 1981-82, 1982-83 and 1983-84; (3) Which advertising agencies were employed; (4) Were tenders let for these accounts; and (5) Would the minister provide a copy of the material used in all the promotions, such as brochures, radio and television scripts, direct mailings and any other promotional material?

There were some other questions we sent subsequently, 11 in number, but they are relatively short:

1. Has the programming planning budgeting system, the multi-year planning system and/or the management by results system been applied to any estimates vote item? Which system(s) and to which items?

2. Have management by results abstracts been prepared with respect to any vote items? For which items?

3. Would the minister table results abstracts which have been prepared?

4. Has any program from the ministry been selected by cabinet for special program review? If yes, would the minister table the results of any such review?

5. What is the number of internal auditors employed by the ministry, and which programs were reviewed by internal audit this past year? Will the minister table internal audit reports?

6. Does the ministry engage in any scientific research under any vote item? Which ones? What is the nature of the research?

7. Has an assessment of the scientific research been conducted by the Advisory Committee on Science Policy?

8. Has the ministry conducted an intensive review of its major programs? Which ones? Would the minister table the results of any such review?

9. Does the ministry provide any programs which may, or may appear to, duplicate existing federal or municipal programs? Which ones? What steps has the ministry taken with regard to any duplication of programs?

10. Has there been an increase or reduction of data processing expenditures in any vote item? Which ones?

8:30 p.m.

11. Has the ministry absorbed, within their estimates, all in-year cost increases resulting from inflation?

That is the extent of the questions to the ministry. I hope in fairness that the minister will respond to those questions during this vote, and as completely as possible.

I acknowledge the fact that in the original questions the 1983-84 years were not given. I

hope this will not preclude the ministry's answering the other questions and then, as soon as possible, providing us with the more current information, which I presume they have available on computer and which should not be difficult to obtain, in the next few days, certainly by the time the next session rolls around.

That is the extent of my questions and my comments initially.

Mr. Chairman: Thank you. Although a lot of that really does not have relevance to the 1984-85 estimates, perhaps the minister would like to respond. I just want to kind of referee here.

Hon. Mr. Bennett: Do you want me to respond now or afterwards?

Mr. Chairman: I think it probably would be appropriate to answer each of the two parties separately as we go along.

Hon. Mr. Bennett: Mr. Chairman, I am under your direction.

Question 1 asked by the member for Waterloo North is one I am not in a position to answer in any detail tonight. Obviously he knows we gave an interim answer.

I hope somebody some day will appreciate that when you start asking for contracts that go back to 1978 and up through the next five or six years, you are not talking about something where you press a button and the whole thing flashes up on a screen; you have a long way to go back for that particular information. We can state that the costs incurred would be rather substantial. If you think that is the best way for the government to invest its funding program, fine. I have asked my staff to try to figure out how we can answer the questions—within reason.

We have absolutely nothing to hide. Whenever we have that information, it is available; but I do not intend to take my staff off things for long periods of time to get into something that goes back to 1978.

If you have some specifics you would like me to look at, or if you believe there are some areas that are not right, I will be glad to take those under advisement and try to find someone to go back to the files, some of which are not currently downtown, and pick them out. I just think it becomes a little ridiculous when we start going back to 1978 and talking not about a contract but about every piece of business in which the ministry has been involved in a contractual relationship with an outside group or authority. We are not talking about a defined area whatsoever.

So on question 1 the interim answer stands, and I am asking my people to try to determine

what we are going to be confronted with in time, personnel and other expenditures.

Question 2: "Indicate the number of people who are employed by the ministry, by contract or otherwise, who are not classified as civil servants." As of March 31, 1984, we had a total of 146 people.

"Would the minister indicate the total cost incurred for these services for the fiscal years 1981-82 and 1982-83?" I will again emphasize that 1981-82 is a year that complicates life because the ministry came into being part way through the year, so we did not go back to try to figure out the situation.

Let me go to 1982-83 and 1983-84. In 1982-83 the cost was \$4,597,121.89; in 1983-84 the cost was \$4,526,557.84, for those not civil servants deemed to be unclassified staff, students and temporary staff.

Question 3: "Indicate how many vehicles are rented, leased or owned by the ministry." As of March 31, 1984, the total number owned is 38. The annual operating cost was \$63,056.20. We have a 1983 Chevrolet Malibu; we have six 1982 Chevrolet Citations; four 1983 Chevrolet Citations; four 1982 Plymouth Reliants; five 1983 Plymouth Reliants; three 1979 Plymouth Volares; four 1980 Plymouth Volares; three 1980 Dodge Aspens; two 1983 Dodge Aries; two 1981 AMC Concord; two 1982 AMC Eagles; and two 1981 Ford Fairmonts.

The ministry does not have any vehicles on lease or long-term rentals. Short-term rentals during business trips are included. Two executive vehicles are not included.

Question 4: "Does the Minister of Municipal Affairs and Housing parliamentary assistant have access to government-owned, chauffeur-driven limousines"—better known as cars? The answer is, yes, in about the same style as the Leader of the Opposition (Mr. Peterson) and the leader of the third party (Mr. Rae) have access. When the parliamentary assistant requires it, he has the opportunity of calling for a vehicle from the garage or the pool.

Mr. Epp: Requires it for what? Do you want to elaborate on that?

Hon. Mr. Bennett: I do not get into the position of asking my parliamentary assistant his requirements. He knows the vehicle is available to him for whatever purpose he deems necessary within the duties he has with the ministry.

Our parliamentary assistant, if he had spoken, would have told you he seldom uses it. He uses his own vehicle.

Mr. Epp: What you are saying is that when he goes away on ministry business, he has access to it.

Hon. Mr. Bennett: He has the opportunity.

Mr. Epp: Yes, he has access to it.

Hon. Mr. Bennett: I am suggesting that to the best of my knowledge—I sure do not follow it up on a day-to-day basis, nor do I intend to—

Mr. Breugh: But David has a chauffeur-driven Lada. He does not need your car.

Hon. Mr. Bennett: It is not a Lada, I can assure you.

Question 5 deals with travel outside Canada.

First, the question asks for an outline of "the number and destination of all trips taken outside of Canada by the minister, deputy minister and assistant deputy ministers at public expense for each of the fiscal years 1981-82 and 1982-83." There was one trip in 1981-82, and it was to England, France and Belgium.

I believe you have already received that answer, have you not, Mr. Epp? It was on order paper 30, question 112, and was answered on April 28, 1982.

You also asked me to "outline the members of staff and any nonministry personnel who accompanied the minister, the deputy minister and the assistant deputy ministers on any of these trips." On the trip I referred to, there was myself; Mr. Riggs, the assistant deputy minister for land development; Mr. Malloy, my executive assistant; Mr. Ken Rovinelli of the land development staff; and Mr. David Henderson of the community planning staff.

"Would the minister indicate the purpose and cost of each trip headed by the minister, deputy minister or assistant deputy ministers?" We went over there to get new insight into the areas of urban renewal, planning and new town development, energy conservation, and municipal policies in general. We met with ministers in the various states we visited.

"How many direct jobs have been created in Ontario to date as a result of each trip?" I do not have that information. It is not a matter we can define.

Mr. Epp: You can appreciate that some ministries had jobs directly related to them and some had them less strictly related.

8:40 p.m.

Hon. Mr. Bennett: Agreed. Question 6 has to do with public opinion polls: "Would the Minister of Municipal Affairs and Housing table the public opinion polls commissioned by the government during the fiscal years 1981-82 and

1982-83? Would the ministry indicate the cost of each poll, the company that took the poll, and whether the undertaking was tendered or not?" The answer to the first part is none by my ministry, and to the second part, not applicable.

Question 7, on communications staff: "(1) The number of employees directly responsible for communications with the public and press and the total salaries in the communications/information branch of the ministry and any of its agencies, boards and commissions for the fiscal years 1982-83 and 1983-84." The answer to that question is 14 and the total cost was \$599,544. Three members of the staff of 14 are seconded to other ministries, but they are still paid for by the Ministry of Municipal Affairs and Housing under the communications division.

"(2) The number of clerical and support staff and contract staff who assist communications officers and their total salaries for the fiscal year 1982-83." The number is 12 at a cost of \$270,534.

"(3) The number of employees directly responsible for communications with the public and press and total salaries in the communications/information branch of the ministry and any of its agencies, boards and commissions for the fiscal year ending 1977-78, if applicable." The answer to that is not applicable to the ministry. The ministry did not exist then.

Mr. Epp: Mr. Chairman, through you to the minister, I recognize the fact that this ministry, as now constituted, was not in existence but the predecessors, the divisions that have been put together in order to make the present ministry—

Hon. Mr. Bennett: I am sorry—

Mr. Epp: The current ministry, as it is now constituted, did not exist then but there are certain parts that existed before and they existed under different ministries.

Hon. Mr. Bennett: I did not even attempt to break it out. It is back before my time, back before the records were kept as a ministry. I feel we have answered the question to the best of our ability and that those answers are reasonable. I do not intend to have my staff go all the way back through some old dead files and notebooks.

Mr. McClellan: Did you say back before the records were kept?

Hon. Mr. Bennett: Oh, no.

Mr. Epp: Back before he had a record.

Hon. Mr. Bennett: No, talk about yourself.

Mr. Epp: I am kidding and you know that.

Hon. Mr. Bennett: Where are we at? We are at question 7(4): "The number of clerical and

support staff and contract staff who assist communications officers and their total salaries for the fiscal year 1977-78." It is the same answer as for question 7(3).

Question 7(5): "Whether the minister has a personal media adviser or advisers and, if so, what salary or salaries the adviser(s) received for the fiscal year 1982-83." I am pleased to report I do not have one.

Mr. Breaugh: Yes, we noticed that.

Interjections.

Mr. Chairman: Do not be provocative.

Hon. Mr. Bennett: Are you suggesting I should have one?

Mr. Breaugh: No, no.

Interjection: Maybe a hair stylist.

Hon. Mr. Bennett: Certain people have them—

Mr. Breaugh: Get your colours done, that would be good.

Hon. Mr. Bennett: Blue and black?

Mr. Epp: I think that is the only thing that tells us you have not declared yourself for the premiership yet. Larry has one and Dennis and—

Hon. Mr. Bennett: You fellows are like catch 22. You come in and say no—

Mr. Epp: I am not saying you should have one. I am just saying it tells us something about your planning for the future with respect to whether you are going to be—

Hon. Mr. Bennett: Our Father who art in heaven, hallowed be thy name—

Mr. Epp: Does this mean David Rotenberg does not have one either?

Mr. Chairman: I do not think the minister is going to answer that question.

Mr. Epp: It may incriminate you or him.

Hon. Mr. Bennett: Okay, now we are at advertising, question 8: "(1) What was the total advertising budget of the ministry and its agencies, boards and commissions for the fiscal year 1982-83?" The answer, \$527,518.

"(2) What was the comparable advertising budget for the fiscal year 1981-82?" Since I am not going to break it out from the Ministry of Intergovernmental Affairs and various other activities, I am not going to make a comparison.

"(3) What advertising agencies were employed?" "Are" or "were"?

Mr. Epp: "Were" during this period; if you have "are," that is fine too.

Hon. Mr. Bennett: That is why I asked the question; they are the same ones.

Interjection.

Hon. Mr. Bennett: That is okay. I wish to make a few more comments.

The answer to question 8(3) is that we have two agencies that look after the account of the Ministry of Municipal Affairs and Housing. We have a firm by the name of Interact Communications Inc. in the city of Ottawa and we have McNally and Sutherland Inc. in Willowdale, Ontario.

"(4) Were tenders let for these accounts?" Yes, but in the terms of reference of Management Board and its procedures.

"(5) Would the minister provide a copy of the material used in all the promotions, such as brochures, radio and television scripts, direct mailings and any other promotional material?" Most of it is sent out some time or other when we have it anyway. It usually winds up in your constituency office for the information of your constituents. If there are any particular ones you would like, it will be easy to secure them for you and send them over.

That takes care of your questions; am I right?

Mr. Epp: That is correct.

Hon. Mr. Bennett: Now we have some questions that came in as late as May 31 of the current year.

"1. Has the programming planning budgeting system, the multi-year planning system and/or the management-by-results system been applied to any estimates vote item? Which system(s) to which items?" The management-by-results system is applied to all votes and items. In addition, the ministry has a strategic planning process which examines the external environment and sets direction for the next five years.

"2. Have management-by-results abstracts been prepared with respect to any vote items? For which items?" I would say it is the same as the answer to question 1.

"3. Would the minister table the results of abstracts which have been prepared?" No. The abstracts are confidential cabinet documents. However, we would be pleased to give our most recent strategic plans on which our MBR targets are based.

"4. Has any program from the ministry been selected by cabinet for special program review? If yes, would the minister table the results of any such review?" No program has been selected for special program review by cabinet.

"5. What is the number of internal auditors—"

Mr. Epp: Can I interrupt you for a moment, please? The "selected by cabinet" may be fairly narrow. I do not want to play games here, but

could one be selected by you as opposed to being selected by cabinet?

Hon. Mr. Bennett: Yes.

Mr. Epp: Has one been selected by you as opposed to being selected by cabinet when we are speaking about this review? I am asking whether one has been selected by you as opposed to being selected by cabinet.

Hon. Mr. Bennett: Yes. We went through it last year. It was in last year's book, Mr. Epp. We will have to find the page for you.

Mr. Epp: Thank you.

8:50 p.m.

Hon. Mr. Bennett: Question 5: "What is the number of internal auditors employed by the ministry, and which programs were used by internal audit this past year? Will the minister table internal audit reports?" The number of auditors is 17.

Programs audited: under vote 2502, community planning, we did audits on the community services contribution program, neighbourhood improvement component; the neighbourhood improvement program; the Ontario downtown revitalization program; and the main street revitalization program.

Under vote 2503, real estate, we audited the Ontario rental construction loan program and the renter-buy program to make sure those people who applied were within the terms of reference as set down.

Under vote 2504, community housing, item 1, program administration, we did the rent reduction grant program; the community services contribution program; the rental assistance program; and the Ontario home renewal program.

Under vote 2504, item 2, Ontario Housing Corp., various housing authorities operations were audited, and we did the rent supplement program, commercial and community sponsored.

I do not intend to table the internal audit report. In our opinion the auditor can report as he sees fit as a result of those preparations by us. The legislative authority provides external accountability.

Question 6: "Does the ministry engage in any scientific research under any vote item? Which ones? What is the nature of the research?"

The answer, very simply and quickly, is yes. Under vote 2504, item 1, we have researched the high-efficiency boilers and furnaces; air distribution, control and system; the microprocessor in monitoring water heating; solar energy demonstration and evaluation; Howland House—I am

sure you have read some of the brochures about it; the air quality study, which is in Aylmer, Ontario; efficiency of fireplaces; hybrid energy systems; add-a-unit pilot and research program; conserve-a-unit pilot and research program; energy conservation in multifamily buildings.

Under vote 2504, item 2, we tested numerous housing factors that have significant impact on energy and a building conservation project to extend building life.

Question 7: "Has an assessment of the scientific research been conducted by the Advisory Committee on Science Policy?" The answer is no, for the simple reason this committee was disbanded on November 11, 1980.

Question 8: "Has the ministry conducted an intensive review of its major programs? Which ones? Would the minister table the results of any such review?"

The answer is yes, the ministry reviewed all its major programs during 1983-84 for the program review exercise. Specifically, a ministry task force during the past year examined in detail the potential for privatization of various activities. We looked at the Ontario Housing Corp. portfolio, the Ontario Mortgage Corp. portfolio, and privatization of certain ministry activities such as audit, policy groups, etc. We also looked at ministry conservation activities.

Question 9: "Does the ministry provide any program which may, or may appear to, duplicate existing federal or municipal programs? Which ones? What steps has the minister taken in regard to any duplication of programs?"

The following programs may appear to duplicate federal programs. The federal residential rehabilitation program, known as RRAP, is similar to the provincial Ontario home renewal program which terminated in 1982. It was complementary to RRAP in that it covered only those areas not covered by RRAP, but it certainly gave the appearance of duplication. The federal CRSP, the Canadian rental supply program, appears to duplicate the Ontario rental construction loan program, but CRSP was started after the ORCL was terminated in 1982.

The federal CHOSP, the Canadian home ownership supply program, appeared to duplicate some aspects of our renter-buy program, which was to complement the federal CHOSP program. The programs appeared to work very well together, so we did not consider them competitive or a duplication, but the federal program went a little further than ours in the type of community to which it could be applied.

Under the federal program, you had the private nonprofit housing program administered solely by the feds, by the minister responsible for the Canada Mortgage and Housing Corp. On the provincial side, we have the municipal nonprofit housing program administered solely by the minister after the allocation is given to him by the federal minister responsible for CMHC.

There is the National Building Code under the federal government, which would certainly appear to be some duplication of our Ontario Building Code, but there are substantial differences.

Has there been an increase or reduction of data processing expenditures in any vote item? The answer is this: Computer data processing in the ministry administration program, systems development services, vote 2501, item 6: estimate in 1983-84 was \$1,672,000; in the current year it is \$1,611,000, down \$61,000.

Under vote 2503, item 6, real estate, mortgage administration and services: a year ago in 1983-84, it was \$450,000. This year we budgeted \$395,000, a reduction of \$55,000.

Under vote 2505, item 1, municipal affairs, the budget a year ago was \$1,849,000; in 1984-85 the budget is \$1,782,000, a decrease of \$67,000.

Those are all areas we have talked about and that have been reduced in the current year.

Has the ministry absorbed in its estimates all in-year cost increases resulting from inflation? The answer is yes.

Mr. Epp: Thank you, Minister, for that information.

Mr. Chairman: Are those all the questions?

Mr. Epp: I may have more questions on this later, but I want to take a look at that information and then may come back to it later on. It is impossible for me to write all this down, as you can appreciate.

Hon. Mr. Bennett: I thought you would do it in shorthand, Herb.

Mr. Epp: I tried, but it was not very effective.

Mr. Chairman: It did not work.

Hon. Mr. Bennett: I did not read it too fast, I was reading at the right pace.

Mr. Epp: No, I am not suggesting you did. You were very good. I appreciate that.

Mr. Chairman: Thank you, Mr. Epp. Mr. McClellan or Mr. Breaugh, whoever wishes may proceed first. Up to this point, Mr. Epp has accumulated about 40 minutes of time.

Mr. Breaugh: Yes, I always thought fishing was an outdoor activity but it turns out I was wrong. You have been fishing inside.

Hon. Mr. Bennett: It is poor sportsmanship to fish in an inside pool.

Mr. Breaugh: I want to make some brief comments on things I would like to get at during these estimates. It was not very long ago that we sat in this room and went through last year's estimates, so I will try not to go over a lot of ground we covered last December.

I do want to reiterate that one area of major concern to me remains the whole world and the whole aspect of municipal financing.

We have gone through some of the reports issued on local government finance in Ontario, particularly the latest one Mr. Bennett has produced. It confirms some of the trends we see as a problem; certainly I do. I guess if you were to categorize my impression of municipal finance these days, it is kind of scary, and it is scary from a number of points of view.

9 p.m.

It is scary—not that anybody is predicting great bankruptcies or that municipalities will not be able to function or that there will be a dramatic increase in financing in the foreseeable future. My concern centres on a slow but steady erosion of what municipalities have been getting.

It is not an erosion in actual dollars, and that is what sometimes makes this argument a bit confusing. In some of the programs you look at you can find actual dollar reductions, but in most cases the dollar amounts are increased slightly each year. Rather, the problem seems to be coming from the opposite direction. What is disturbing is that while municipalities inch along slowly year by year on a very complicated grant formula, their expectations are being raised on a number of fronts on a very rapid basis.

This is one of the things I find rather disturbing, because I would be an advocate in most instances of the kinds of new programs that are being urged upon municipalities such as day care, the provision of social services, attempts to provide better housing for seniors and for single-parent families: a range of social issues in which municipalities right now are really the only game in town.

In my community and in many others, municipalities are now being asked to fund and to assist in the operation of unemployed help centres, for example. Programs that were begun to meet a very real need around unemployment began usually with Canada-Ontario employment development money, federal money or some social service program money so that the program is in operation and has been established

as a workable idea and as a necessity in the community.

Unfortunately, money from other levels of government has a tendency to be around when they see it as being to their advantage and then to disappear. The only elected folks sitting around Oshawa these days in the council chamber are the local city council. In many of our communities it is the same case.

Whether it is homes for battered women, a rape crisis centre, an unemployed help centre or a tenants' hot line, on a wide range of social issues, some program has been initiated. Perhaps it is not well funded, but it has been started. Then some senior level of government decides to withdraw in some way. Usually it is not a total withdrawal but simply: "We want to rearrange our priorities. There may be some moneys available, but not now."

So municipal councils are being asked to fund health care programs, as they never were before; they are being asked to participate in the financing of hospitals, as they never were before. Looking at a grant system that has just had a substantial change in its structure, they can say for now, "We know what we will get for this fiscal year, but we are not sure what will happen next year."

We know that some of the municipalities, my own included, that were opposed to a change to a per-household basis for municipal grants are caught in a catch 22 situation because they did not get fewer dollars than last year. Many of them are sitting there with grants from the province for this year 2.5 or three per cent below the level of inflation, not fewer dollars than last year. They are looking at new programs, for example, that came out of the budget, in which, on a range not only of social initiatives but also of employment initiatives, the Treasurer (Mr. Grossman) pointed the way to municipalities to be at least participants in this type of program.

It is a fairly new concept. It is not new that municipalities under the COED program, for example, would take federal or provincial moneys and try to work the programs, but it is new in the sense that more and more they are being asked to be financial participants as well.

I think of programs such as the little assessment program to encourage people to stay in their own homes if they are seniors or handicapped. I would be interested to hear somewhere along the line if the minister is at some point going to do what may be a difficult job, and that is to anticipate what municipalities will lose in revenue because of that provincial initiative and to

attempt to find some means of refunding it to municipalities.

On the surface of it, though all of us would argue that this is a good thing to do—and we have done for some time—when the accounting books come in we will also realize that municipalities will lose tax dollars because of an initiative taken by the province, and it will be interesting to see just exactly where the shortfall will be found.

Will it be maintained at the municipal level? In that case it will pose some problems. Will there be some initiative taken on the part of the province to provide some kind of unconditional grant or special purpose grant?

The difficulty right now is I am not sure anyone has any hard numbers that would tell me how much the city of Toronto is going to lose in tax dollars because of that provincial initiative. I have not seen any studies of that kind and I am not aware they have been done. I would appreciate it if the minister has a handle on that, if he could provide us with that information.

My municipality, for example, is into transportation for the handicapped, as many municipalities are, and that poses a bit of a problem. These are very hard to turn down and I understand it. Most of us who sat on a municipal council know it is pretty tough when they roll the wheelchairs into the council chamber to look people in the eye and to say, "We are sorry, but we are not in the business of transporting you folks around." It is doubly tough when they are your friends and neighbours and you know you will see them at the dinner Saturday night and they will be at the shopping centre Saturday afternoon.

It is not very much like a provincial minister who gets to make a statement in the House and may, on a rare occasion, have those people confront him in some way—at a demonstration, on a picket line or at one of their meetings, but also knows that if he can weather the storm for half an hour, he can walk away. A municipal council cannot do that.

There are funding problems at the municipal level. I am sure the minister will give me his rah-rah speech about how they have responded in dollars and moved up the police grant. I also want to hear him talk about some of these other things where I do not see any initiatives. A couple of other things came out of the budget presentation that I would like to see us talk about during the course of the estimates.

One of the things the Treasurer of Ontario had to say when he presented his budget this year was to talk about a review of things like crown

corporations. This ministry has a bunch of those. It has a lot of land in its possession. It has muttered on previous occasions about techniques by which this land will be brought into development or held off the market.

I know that now, in Pickering, there is a controversy about certain planning studies around the North Pickering project or Seaton or whatever the current name for it is. I think we should have a review of that to see how one initiative, almost an afterthought of the Treasurer of Ontario, can have a pretty substantial impact.

If the Treasurer wanted to run through the physical assets owned by the Minister of Municipal Affairs and Housing, a fair buck, I would imagine, could be raised in a hurry.

I would also hazard a guess that there are a lot of developers out there who would love to get their hot little hands on lands that have been purchased by the province and brought through partial planning phases in terms of discussion papers and preparation of official plans.

I am not aware that very many of them have reached the point where you could put them on the market tomorrow morning, but a developer would know that if you could get your hands on a chunk of North Pickering or certain other properties that are in the hands of Ontario, you could afford to sit on that for a few years and get any kind of zoning requirements that were made or official plan amendments.

There is a place where statements by the Treasurer could have some ramifications and I would like to hear the minister's thoughts as to what might be up for grabs there and what might not be.

In many of our municipalities now, programs like neighbourhood improvement plan programs are winding down. I noticed in the minister's opening statements that on page 1 the NIP program is winding down and on the next page it is winding up. I would be interested to hear just how NIP winds down and winds up from one page to the next.

Many of the programs the government has been operating that affect municipalities were quite successful, for example, in redeveloping downtown areas and doing neighbourhood improvements.

9:10 p.m.

They were successful and are successful in several respects. Some of them produce a multitude of benefits in energy conservation or in keeping people in their own homes. They have benefits in the planning of municipalities. In a number of municipalities now, because there

were programs and moneys available, community use of schools has begun to take shape around Ontario.

I will do a strange thing and say that I recall when someone who was not a New Democrat represented the riding of Oshawa. A fellow by the name of Charles McIlveen had a real bee on for community use of schools. It was probably one of two things we agreed on, that and the Oshawa General, that the use of schools was a wise and a sensible thing and had a great deal of cost benefit. I must say that the track record in a number of municipalities has not been very smooth on that, but things like neighbourhood improvement programs made some of those things happen. Perhaps it is just the sweeteners that were there.

On a slightly different aspect of municipal financing, in my view the whole area of forecasts is becoming very hazy. I was on a municipal council when we used to talk about Edmonton commitments and things such as that. Rather than holding our own, which was never very good, it seems to me we are sliding backwards in having municipalities able to forecast where they will be a few years from now in financial terms.

In some senses, they are still providing the Ontario Municipal Board and others with long-range forecasts, but many of our municipalities have gone through a restraint period that has kind of bottomed out. They have pretty well scraped it. Capital projects are not moving along. There are school boards that have not built schools in a long period of time.

That is going to have an impact on the municipal property tax base. That is a little shaky. They are not sure about where the grants programs will be for the next four or five years, because we have never done projections from the provincial level along those lines.

A lot of them have gone through great periods of growth in the last few years. It is interesting to drive from Oshawa to Toronto and see whole fields, literally hundred of acres, that until this spring were farmed. Those of us who had sat on planning boards, commissions and municipal councils in the area were aware that there were plans for development on all those lands. Now they are all being put on the market, and they are coming on the market quickly.

That will have an effect on municipal finances in the area. It will have a dramatic drain. Where there was a field where last year a bunch of tomatoes or potatoes grew, they are now growing \$150,000 homes. They will have a population there that did not exist in the last few years.

In particular, on the north side of Highway 401 from Whitby straight through to Pickering, one can see how dramatic that development boom is going to be. For example, I am told that in about five years' time places like the town of Pickering will have virtually no land for development, unless the North Pickering project happens to come on stream.

There are a number of major areas such as that which I would like to get into in the course of the estimates. There are also a couple of smaller things on which I would appreciate a little input as to where we are going. I read with interest of a couple of things that have caused problems in conservation.

One would be some changes in the Assessment Act to say that if you have wetlands, for example, they cannot really be classified as wetlands any more. There will be a bit of a problem, particularly adjacent to urban areas. If you own some property that is now a swamp or has a creek going through it and is not worth a great deal of money, as long as you are not paying a high rate of taxation on that land you will probably leave it as it is.

However, if something happens that causes it to be assessed at a higher category, you are probably going to take a look at that and say, "If I am paying the taxes on that, I might start draining those wetlands or dumping fill in there to see if I can roll this property over or develop it in some sense." There is a bit of a problem there.

There is another important item. The Minister of Natural Resources (Mr. Pope) has lately talked about, issued a discussion paper on, and I believe intends to proceed with, removing certain planning functions from conservation authorities, putting them on municipal planning committees and municipal councils. I would be interested in seeing just what state of the art that proposal is at.

I have a range of issues I would like to get into during the course of these estimates. I reiterate that my main one centres around financing and a gloomy perspective I have. It is not that municipalities are going to run off askew and do bad things about financing. It seems to me they are reaching the end of their options; there are not many more there. There are not many more user fees that can be charged for the use of rinks, parks or anything else that are really going to generate much revenue. More than anything, if they stood still in terms of their property taxes in order to respond to demands for different kinds of programming, the money is going to have to

come from somewhere, and there is no clear indication of a source.

Those are the opening remarks I wanted to make. I know Mr. McClellan has some remarks he wants to make about housing. Maybe he could get at those now.

Mr. McClellan: Mr. Chairman, I do not want to take a lot of time in the leadoff statement. We did the estimates of the ministry not too long ago. I just want to deal with one theme in my opening remarks, then we can have some discussion when we get to the appropriate votes of the estimates.

I want to talk about the main point I made when we were here last time, that is, our sense of the urgent need for a provincial housing supply program, particularly the need for provincial programs of supply to build and develop affordable rental accommodation for families.

I am sure the minister immediately thinks of the response he usually gives, which is that the Ontario Housing Corp. and the Ministry of Municipal Affairs and Housing administer and manage and own a very large portfolio of housing stock which accommodates something in the order of a quarter of a million people. I do not have the right piece of paper with me, but I think there are a total of 83,000 housing units in his portfolio.

9:20 p.m.

No one denies that Ontario made a real and substantial contribution to the development of affordable housing, particularly in the decade between 1964 and 1974. No one denies that for a minute. All of us are proud of Ontario's record in the creation and development of affordable housing for families and seniors, but it is not adequate to rest on our laurels and it is not adequate to point to the past and say, "See what we have accomplished."

When you look at the record of what has been happening—and particularly again I am focusing on affordable rental housing for families—in recent years, since the government embarked on its regime of constraint and cutback, social housing programs have been particularly hard hit, and Ontario basically has got out of the housing supply business since 1978.

If we look at what has happened since 1978, when Ontario made the decision to bail out of housing supply programs and piggyback on to the federal initiatives, in 1979 the family waiting list for Ontario Housing Corp. housing was 8,882; in 1983 that waiting list had risen to 17,921, an increase of 102 per cent.

I believe that the OHC waiting list is fairly rigorously maintained. I believe the officials of

OHC when they say they keep the list clean. They are very diligent about making sure it is an accurate and updated list, and I have no reason to doubt that when they say 17,921 names are on the waiting list for family accommodation, they mean 17,921 names.

During that same period, according to Ontario Housing Corp.'s annual reports, the number of family units directly owned and operated by the Ontario Housing Corp., together with rent supplement units, has gone from 59,584 to 59,180, for a decline of 404 spaces.

In the intervening years, obviously, new housing has been developed under the new federal programs, but our understanding is that there has been an absolute decline in the number of units that are the direct responsibility of the provincial government during a period when the waiting list for affordable family housing has gone from 8,882 to 17,921.

We have talked in previous estimates about what Ontario has done since 1978. It has turned the Ontario Housing Corp. into a holding company, which manages the portfolio of housing units that were built between 1964 and 1978. As I have said—I am sure from the minister's point of view ad nauseam—they have piggybacked on to the federal programs.

According to the figures the minister gave us during the last set of estimates, the total federal-provincial contributions under National Housing Act section 56.1 programs from 1979-80 to the end of the fiscal year 1983-84 were as follows: the total federal contribution in Ontario was \$93.5 million and the Ontario contribution was \$1.8 million, which, according to my calculations, is 1.9 per cent. When we look at what is coming down the pipe regarding allocations for 1984-85, we do not know whether to laugh or to cry.

At the time of the February allocation, when the federal Liberal government, in its benevolent generosity, announced that Ontario would be receiving 1,400 units, I think the minister was as astounded as everybody else, and he said—I hope I am not putting words in his mouth—he did not believe this was everything the federal government intended for Ontario; that he was aware that in Metropolitan Toronto alone the need for social housing units on an urgent-need basis was 1,100 units. He acknowledged that the 1,400 units that Roméo LeBlanc had announced for Ontario were totally inadequate. None of those units was allocated to Metropolitan Toronto but the minister said he was absolutely confident that Mr. LeBlanc would be making a second allocation of

social housing units under the section 56.1 programs and that Metropolitan Toronto would have its needs met.

Lo and behold, in April 1984 Mr. LeBlanc announced an additional 580 units. The minister can correct me if I am a little bit confused but I think those figures are right. So we have a total allocation for 1984-85 of 1,502 social housing units for the province at a time when we have about 18,000 names on the Ontario Housing Corp. waiting list.

Hon. Mr. Bennett: It was 1,980. We had 1,400 plus 580.

Mr. McClellan: Sorry, I missed something. Give me that again.

Hon. Mr. Bennett: We had 1,400 originally.

Mr. McClellan: I am sorry, yes, 1,980.

When we have 18,000 people on the waiting list, plus another 7,000 senior citizens on the list for accommodations, that it is a drop in the bucket.

We realize what is happening in the private sector. It has stopped building affordable rental accommodation. In fact, it has stopped building rental accommodation, period.

My colleague says, quite correctly, that the private development industry has been on strike with respect to the development of rental accommodation for a number of years. The only figures I have are for Metropolitan Toronto, but I believe they apply to other parts of the province as well.

According to the Canada Mortgage and Housing Corp., since 1979 there have been a total of 13,078 rental dwelling starts within Metropolitan Toronto, a combination of row housing and apartments. Of these, only 3,500 have been developed by private industry. The other 9,484 have been social housing units.

The problem is that the social housing programs have dried up and there is nothing on stream. For example, in Metro we had 4,021 units developed under programs that were put on stream in 1979 and 1980 and were completed in 1982. In 1981 we had 1,600 units; in 1980 we had 2,100 units; in 1979 we had 1,600 units—and this is just in Metropolitan Toronto. This year we do not even have 1,600 units for the whole of Ontario.

I have not seen anything in any of the forecasts that would lead me to believe that private industry has ended its strike; that they are back in the housing business.

We have heard glowing reports about how 1984 was going to be a boom year for construction, but when you look at the figures for

the first quarter of 1984 they are 20 per cent below the first quarter of 1983. I do not know where all of the rosy projections about 1984, as the highest year for housing starts since 1978, come from. It certainly is not showing up in the figures.

9:30 p.m.

I do not think it is there. The private housing industry is not back in business. I do not think that very many people think it is going to go back into business.

Even if it does go back into business, the private housing industry has admitted it cannot build affordable rental accommodation. I do not know how many times government needs to be told, not by socialists like me but by representatives of the private housing industry, that it cannot build affordable rental accommodation unless it is given subsidies.

When we were looking at Bill Pr3, the demolition control bill, in the standing committee on regulations and other statutory instruments earlier in the fall, representatives from the Canadian Institute of Public Real Estate Companies gave a very interesting presentation and talked about the economic rent for a modest one-bedroom apartment in the city of Toronto. The economic rent for a very modest, no-frills, nonluxury, bare-bones apartment in the city of Toronto would be between \$800 and \$850 a month. That is all they can do.

We have heard Mr. Sandusky from the Housing and Urban Development Association of Canada talk very eloquently over the past year about what he feels HUDAC and its associates need. They want an end to rent controls and they want a massive welfare program, which they are referring to as a universal shelter allowance.

I read some of the minister's statements on this subject, and he understands as well as anyone else that it would cost literally billions of dollars to implement on a national scale. No one understands how you could possibly institute a shelter allowance program, when the economic rents for market housing are so high, without spending yourself blind. It reduces the options of the government rather considerably.

You have a private housing industry that is telling everyone who is willing to listen and understand what it is saying that (a) it is unwilling to build under current conditions and (b) the only way it is willing to change its way of doing business is if it can have some form of massive subsidy, which it is calling a universal shelter allowance, and an end to rent controls.

The waiting lists are increasing. How much increase do you need when it has gone up 102 per cent in five years? I do not know what the government is waiting for. I presume this pattern will simply continue unless the federal and provincial governments bite the bullet and return to adequate housing supply programs.

It is clear that the federal government is in a state of shellshock and is unwilling to meet its responsibilities, and it seems to me that the province has no choice. The only alternative is to see many thousands of people housed in totally inadequate situations, and I think that flies in the face of this government's own traditions.

This government does have a history, which it can point to with pride, of assuming a responsibility for the provision of affordable housing. Nobody wants to go back to the old models of massive, large-scale, Ontario Housing developments, and I think we have managed to develop very creative and imaginative models since the introduction of the section 56.1 programs, with a mixture of income groups and a mixture of people from different economic levels.

In my own community—and the minister knows this—we have had a marvellously successful program in the Frankel-Lambert development, which has social housing owned by Cityhome, four co-operative housing projects and a mixture of freehold all together in one 20-acre site. It has been a spectacular success.

The model is in place. We know what works. Yet we have governments abandoning the program, shirking their responsibility, pointing the finger of blame at each other and saying: "There is nothing we can do. They will not carry their fair share of the load," and each one saying the same.

Quite frankly, I think the current housing crisis will escalate into a housing catastrophe unless you bite the bullet. I do not understand why you are so reluctant to use the lending power of the Ontario Mortgage Corp., under the auspices of the Ontario Land Corp., to provide either direct loans or loan guarantees to private sector creditors in order to get our social housing programs back on the rails.

You are able to do it for the Ontario rental construction loan program. I think you allocated \$90 million, and have spent something between \$70 million and \$80 million of that, using the Ontario Mortgage Corp.

Hon. Mr. Bennett: There is still some to go out.

Mr. McClellan: Right. I assume you will spend the whole \$90 million.

The only point I am making is you do not have an objection in principle to the use of the Ontario Mortgage Corp. as a lending resource for housing supply programs. So the question is, why have you not used the Ontario Mortgage Corp. in order to build on the successful social housing programs that we have, rather than to get into what I still believe to be the basically privileged ORCL program? It is foolish in terms of the options that were available to you.

You could have taken that \$90 million and made those loans available to your 40 municipal nonprofit housing corporations or to any of the dozens of co-operative housing development resource groups and told them to build housing. Instead of making public money available to private developers for their own enrichment, you would have increased the amount of permanently available social housing stock for the whole of the province.

At the point when we get to the appropriate vote, I would like to ask the minister—and perhaps his officials could start to think about pulling the stuff together—for a list of all of the ORCL recipients, together with the owners of the corporate entity that received and benefited from those loans, if that material is available, together with the location of the project, the number of units built and the number of subsidized spaces in each of the ORCL projects.

I have not looked it up but my memory tells me that when we talked about ORCL last year during the estimates, it had something between eight and 10 per cent of the units available on a subsidized basis. What is the point of making \$90 million of public money available for market housing when you know you can tick off a minimal number of subsidized spaces? It really is nuts.

9:40 p.m.

As I say, it is not as though we did not know how to go about building model housing that is as good as anything that is being built anywhere in the world. This is what completely mystifies me. Something like the Frankel-Lambert development or the St. Lawrence development or any of a number of these creative and imaginative developments have won design awards in international competitions.

They are providing affordable housing. They have resulted in a flowering of co-operative housing movements. They have provided affordable housing and a mixture of people in neighbourhoods that has created a real sense of community. They have been very successful,

outstandingly successful, programs, yet we are allowing them to die on the vine.

The chairman is urging me to be brief, and I will be. I will finish within five minutes. I just want to make a couple of observations.

I would like the minister to tell me what is going to happen if we have another year of housing allocations such as this one. What is going to happen to the 40 municipal nonprofit housing corporations that have been set up across this province at your instigation?

I was sitting in the House when you told the members for the Sudbury area, Mr. Gordon and Mr. Martel, that if they wanted housing in Sudbury they were to talk to their local people to set up a municipal nonprofit housing corporation and take advantage of the section 56.1 programs. What programs? There is no housing allocated.

How long do you think municipalities are going to keep housing development capacity in their administrations in the absence of any allocation? How long do you think the resource groups that have developed in the co-operative housing field will survive? How long does any developer survive if he has no business?

The death sentence is virtually on the wall. The death sentence has been issued. The death warrant is out for co-op housing development resource groups and the municipal nonprofit housing corporations. They have developed a capacity to provide social housing that, as I say, again and again, is as good as anything being done anywhere in the world. You guys are going to allow all that expertise and talent to be destroyed, as surely as the co-operative movement was destroyed in the 1930s. It makes absolutely no sense.

I would like to know if you are doing that as a matter of deliberate policy. Are you really that threatened by these little co-op housing programs? I cannot believe that you are allowing the municipal nonprofit corporations to terminate as a matter of policy, since you set them up in the first place.

I really want to understand what you see is going to happen if you do not take some action to intervene and create Ontario's own housing supply program. Ultimately, of course, it is low-income families that will suffer, and suffer severely—as well as senior citizens, for whom the need for affordable housing is simply a question of demographics.

As our population ages, we simply have to get the housing in place. If we do not do it now, we are going to have an awful lot of misery on the part of senior citizens when the big demographic

boom hits us. They will look back at us, and rightly blame us for our folly and short-sightedness.

Those are the things I would like to leave with the minister. When we get to the appropriate votes, we can talk about it in more detail. I will not do it now, for the sake of brevity, but I also want to talk about the minister's offer to increase the number of subsidized units to 35 per cent on condition that people take the Ontario Housing Corp. waiting list. For some reason we are at a—

Hon. Mr. Bennett: A common waiting list.

Mr. McClellan: Okay. I was just going to qualify what I said.

A series of misunderstandings and impasses has obviously developed. A word to the wise is sufficient. There is a series of communication problems around the minister's offer that is preventing people from taking advantage of it. There are a number of problems as it impacts on co-operative housing projects. I just want to say that I look forward to an opportunity to discuss this issue with the minister and his officials.

Mr. Chairman: Thank you very much, Mr. McClellan. Our time did work out fairly evenly for the minister's statement and the two opening statements. Perhaps the minister would like to make a few responses before we get into vote 2501.

Hon. Mr. Bennett: How did that work out to equal time? I spent about seven or eight minutes—

Mr. Chairman: I have 15 minutes down here. I may be out a little bit.

Hon. Mr. Bennett: The member for Oshawa raised the question on the municipal financing and I, as a former member of the municipal council, obviously understand the importance of how you stabilize the whole situation of grant formulas. There is not that easy an answer for it here in Ontario any more than you have in any other jurisdiction.

He says there has been a slow, steady reduction. What he is talking about, I guess, is the percentage of increase over what you have had in mid-1970s and so on.

We have been positive in this province—but other provinces have not followed—in that we have allowed our municipalities a positive increase in the grants. If you take the overall grant they had last year, the minimum increase they had was 2.5 per cent. When you look at several provinces across this country, because of their financial problems, restraints and everything else, they have had absolute decreases in

the number of dollars—I am not talking about percentage but actual difference in dollars.

We have tried to assist the municipalities, within the limitations of our finances. I say in a very positive way that I have had long discussions with most municipalities and they are rather pleased. Sure, they would like to see five or 10 per cent increases, but they are happy to get 2.5 per cent guaranteed.

Let us talk about expectations. I guess that is one of the areas where we really have had some problems with the various perceptions, suggestions, directions of councils, where over the years they have decided that certain things should happen in a municipality and I think they raised the expectations.

I do not think that in our particular case we have tried to raise expectations. We are trying to accommodate what we think are the essential services of a municipality by making sure that transfer payments are related somewhat to what they should be doing; some of the municipalities are doing it, but you have read the newspapers. Here in Toronto and in various other places they will implement programs and you ask yourself why at this time would they be getting down the road on this project and then demand further provincial-municipal support.

Some of the things that municipalities have undertaken they have done more for their own political reasons. They thought it would raise their profile, and I suppose politicians love to think their profile is raised in years that precede certain days of decision.

Mr. Breaugh: That never happens around here.

Hon. Mr. Bennett: No, that is true.

Mr. Chairman: Try as we might.

Hon. Mr. Bennett: I am so closely connected with municipal politics, maybe it has rubbed off.

Mr. Epp: If you believe that, I will sell you the Taj Mahal.

Hon. Mr. Bennett: You were briefly in municipal politics. You know of what I speak.

Mr. Laughren: Who, me?

Mr. Chairman: Who is that?

Mr. Epp: Did you just wake up?

Mr. Chairman: A stranger in the House. Welcome back.

Mr. Laughren: While the minister is collecting his thoughts, when I came in I gathered up the opening remarks of the minister from my colleague the member for Bellwoods (Mr. McClellan). I hope the chairman of the commit-

tee will note page 1 of the minister's remarks and the last page of the minister's remarks and compare them with the attitude of the Minister of Natural Resources (Mr. Pope).

Mr. Chairman: Thank you very much. Welcome back.

Carry on, Minister.

Mr. Laughren: Alan Pope is the only guy in the world who could make Claude Bennett look good.

Hon. Mr. Bennett: There is the Sudbury special; it keeps chugging through.

Interjections.

Mr. Laughren: I could not resist it.

Hon. Mr. Bennett: I am sorry. I apologize. Interjections.

Mr. Chairman: The last time you were picked up on it, it was not appropriate. It was unparliamentary—almost.

9:50 p.m.

Hon. Mr. Bennett: We went this year to the grant per household and I know the members know about that. We thought it was in the long-term best interest to try to bring some degree of unification of the grants, perhaps on a population basis.

While we are not now doing our annual population review of each community, it meant that there had to be some guessing as to whether the population was the same as last year, as to what it will be the next year, and so on.

In my short time as Minister of Municipal Affairs and Housing I have come to see that it is hard—even when you do the tally on an annual basis—to find out whether the population count is correct or not. We are forever mulling it over. I guess there is really no positive way to say that the population count is whatever might be turned up. I believe that this is what this committee has established.

With the household situation, we can count the units relatively simply. Through the assessors and the building permit departments we know the number of units that are either going up or coming down. As a result of the household grants, you will find that a number of units—which, for a long period of time, have never been declared as separate living units—are suddenly going to appear. I say that with a fairly—

Mr. Breaugh: You had a mean glint in your eye when you said that.

Hon. Mr. Bennett: I always have a mean glint in my eye.

I think what we are seeing in municipalities now is that with the household grants they are going to make sure every apartment unit is accounted for in the assessment program. I will tell you that there have already been communities calling in to tell us that there are X, Y, Z more units than what appears on the register.

I listened for a number of years; I listened in my estimates and listened as the unconditional grants bill was going through the Legislature, and a number of people complained about the way we arrived at the police grant, the fact that it did have some discrepancies. I know the police commissions made some comments. I admit that the policy was brought in, I guess originally by Mr. McKeough, to try to ensure some review of police commission budgets.

Obviously, the stick did not work. Would it have worked if we had waited any longer? I do not know. I am of the opinion that it was not a fair program. Policing is policing is policing.

I recognize that in the regions some extra costs will appear in the rural region police budgets where the police forces will have the costs of transporting police throughout the jurisdictions for which they have a responsibility.

So we brought the police grants into line. As a result, Windsor, Ottawa, London and Kingston, those major municipalities that were outside a regional government, or which might have been in a regional government but not in a regional police force, obviously, in this year, gained considerably.

Some mayors said to me, "Not before its time." They did not say thank you; they just said it was about time, we should have done it five or 10 years ago.

There are days when you wonder whether, by moving to those people's suggestions—

Interjection.

Hon. Mr. Bennett: Regarding the budget speech announcements, there are two things. First of all, any additions made to a house under \$5,000 will not be reassessed. Spending \$2,500 on any kind of improvement to a home today really does not go very far. My federal colleagues and I need some more realistic figures.

You talked about the item that is related to no additional assessment for additional accommodations built on to a home for handicapped people, disabled people, or granny flats for seniors. I have spoken to the Association of Municipalities of Ontario about this program. They are asking why they have to have that form of assessment, those taxes.

I approached the subject, and I think we all have a certain degree of social responsibility for those people. Indeed, when you complain about there not being any room for seniors here and there—we are told by a number of people that seniors would like to stay with their families for multiple reasons. First, they have friendship and company; second, they can sometimes be useful as babysitters for their grandchildren.

I have not considered that they have lost it, because what you have never had you cannot lose. The fact is there is no accommodation. AMO wants to get all the figures in this area.

Before municipalities start yelling too loud, I suggest that they just turn and look at what they do in bringing private bills into this Legislature to exempt certain organizations and so on from all municipal taxation. They might want to relate that to some of the services they could provide under this type of an exemption for the period of time that it is occupied by a person who is handicapped, or a senior citizen.

When it is no longer occupied by those persons, it becomes a taxable or assessable piece of real estate. I think we have to see it in balance and look at it from the perspective of other things they give exemption for.

Next on crown corporations, and we will get into it more explicitly in relationship to the land that we hold in this province. I have said before and I repeat that we are prepared to sell any of the lands we have under the Ontario Land Corp. We are not prepared to put it on fire sale. We are not prepared to try to go in and destroy the market for others who may have land in and around where we are.

If there are purchasers—and I have told the building industry, I have told the municipalities and others—if there is a piece of land they are interested in, we are more than anxious to sit down and find a way of selling it to them, even if it is over special terms to accommodate some development and some planning and some other things that are required.

Obviously, the land we have in places like Malvern and Pickering will eventually come on stream. When you look at lands that we hold in some of the major communities around the province, including Ottawa and Nepean, those lands have a very substantial attraction because they are areas that are already zoned, serviced and can be developed fairly quickly.

So I say to the member from Oshawa that we will not refuse to sit down and discuss, or put on to the market, put on sale, put out to tender or bid

or whatever way we can do it, any of the lands we happen to hold.

When we get to the land corporation vote, you will note that one of the things we will be doing eventually is what we are doing in the community of Malvern in the Scarborough area. It is an area that we have, as a government, been promoting and developing over the last number of years. When you look at what we have been able to do in Malvern, you will see we have developed a community there that is the size of Belleville, Ontario, out of a piece of land that the federal and provincial government—the federal government will actually be participating.

You spoke about the Ontario downtown revitalization program, which has been a good one. It has served a lot of communities. We had an allocation of funding that was put in place about five, six, seven years ago. The last two communities are now on stream; one was in Kingston, where they are doing some downtown revitalization.

We are still having some difficulties with trying to bring everybody to the table in the city of Brantford. I hope that within the next short time we will find a very positive position and be able to include the agreement with the corporation of the city of Brantford and get on with its downtown revitalization. We have already advanced \$2 million or better to the municipality for the acquisition of some property in the downtown community.

You mentioned in your remarks the Edmonton commitment. Yes, there was an Edmonton commitment, nicknamed the Brampton charter. But we have made our position very clear. We have backed away from the Edmonton commitment. We were not in a position to fulfil its original intent and the municipalities have been told for the last number of years that it is dead, gone and finished. We have to continue to try and improve our grants through the other programs.

Mr. Epp: So much for John White's dream.
10 p.m.

Hon. Mr. Bennett: Amen.

We talked about the development of municipalities and I agree that not only should they look at the residential development today but make it darn near compulsory for the developer to put up a certain amount of commercial or industrial space and try to find people to take over those operations. At the same time most municipalities you spoke of have a very substantial lot levy placed upon all the units they build, which offsets a number of the capital costs and construction costs being incurred by the municipality.

Talking about wetlands. There are two issues there that should be looked at or discussed.

Let me just for a few minutes go to the housing situation. You spoke in your opening remarks about housing and provincial supply programs. We have looked at a number of programs over the last several months. We had a number of discussions with our colleagues at the federal level.

We have provincial supply programs that work. They work because there is a clear understanding between the federal and provincial governments. We do not intend to suggest that the government could go it alone without some kind of a working relationship with the feds.

In the years since 1964—and I tell you that the Ontario Housing Corp. will celebrate its 20th anniversary in the current year—OHC has gained control of 120,000 units altogether in Ontario, either by ownership or through leasing arrangements with private, nonprofit or public nonprofit co-ops in the private sector. They house a population of between 250,000 and 300,000 people.

Why did we change our position in 1979? Whether you purposely overlooked it, I am not sure. It was not just because of restraint. It was not for the purpose of making the program pay. The federal government came to us in 1978 and said: "We no longer want to be the mortgaging organization for the development of public housing in any province or territory. We want to get out of that program. We do not have the funding and the political capacity for funding."

The then federal minister, André Ouellet, made an offer to the nine ministers assembled in Edmonton to find a program that could still continue to build housing. A lot of people were convinced that what we had been doing at the Ontario Housing Corp., and indeed in the Alberta Housing Corp. and the Manitoba Housing Corp., is what is referred to today as the wrong way to develop—putting everybody of the same social and economic status into a given development. It was argued that we should have been finding some other way to build housing that is more socially acceptable.

So the federal government had the combination of problems. It did not want to put any more money up for mortgage purposes. It wanted to find a better way to deliver housing that would serve more than just the low-income market; it would serve both the middle-income and the lower end of the market. That was what we were attempting to do.

We did not piggyback. The federal government offered a working arrangement between the provinces of Canada and the federal government. We are in a contractual relationship. We are not piggybacking at all.

The federal government put the proposal forward. I said this last year at estimates and I have said it before. I distinctly recall discussing that it wanted to be first in. That was its expression; CMHC, the federal government, wanted to be first in. There were many ministers, including myself, who looked around and said the federal program was an extremely rich program and if it wanted to be first in, then fine.

The federal government wrote the agreement, which we signed; we, in Ontario, and indeed the other provinces. We have been a participant; there is no doubt we realized at the time that the amount of money we were going to be committed to in years one, two and three was going to be relatively small compared to the commitment by the federal government. That was its choice.

At the time we tried to do some analysis, but no one really thought then that we would come up with anything really concrete. When the federal government first embarked on this program, it said it would cost \$100 million in the first year. Here is the breakdown of the program in the first year: it cost \$450 million; the \$100-million figure was slightly inaccurate. That is on a Canadian scale and not just the province that went into the program.

We did not piggyback. We signed an agreement. We became a partner, and we know what our partnership happens to be. I want to make it clear at this point again: the provinces, whether Ontario or any of the others, are only dealing with one aspect of the delivery program under the CMHC situation; that is, municipal nonprofits. The balance of units, that is co-ops and private nonprofits, are singularly and solely at the discretion of the federal minister, without even referring to the provincial ministers as to whether the allocation in their opinion happens to be in the right location. He has singular disposition of nonprofits.

Mr. McClellan: You are just restating the problem.

Hon. Mr. Bennett: No, I acknowledge the fact that the areas you talked about, the 1,980 units, are for municipal nonprofit or rent supplement programs.

Mr. McClellan: Right.

Hon. Mr. Bennett: There has been an allocation of about two thirds of that again. That is about one third of the overall allocation; better

than that amount put into co-ops and private nonprofits. I think the federal government's allocation for Ontario under the three programs is somewhere around 7,000 units in the year 1984. I do not have the figure here, but it is in that range. I will tell you that could be on the side of private nonprofit co-ops. When we asked for the 35 and five position, even when 25 per cent of the municipal nonprofits were rent geared to income, only 15 per cent of the co-op units were private nonprofit that flowed into the rent supplement program.

In my opinion, if it is a valid position to take 35 per cent of the units in the municipal nonprofit for rent geared to income and an additional five per cent for the physically and mentally handicapped, then I think if the same public funding is provided for co-ops and private nonprofits, the percentage of units available for people on waiting lists, OHC and other waiting lists, should also be made available. I am not so sure I see a great number of hands flying up from those two corporations, the private nonprofit and co-ops.

Mr. McClellan: My experience is the opposite. People are quite willing to increase the number of subsidized spaces.

Hon. Mr. Bennett: But not to take the neediest on the waiting list. That is a whole different ball game.

Mr. McClellan: We can talk about that. I think there are some problems as to how that is being presented and how it is perceived. From my own experience, I do not think it is accurate that co-ops or private nonprofits are saying, "We do not want to increase the number of subsidized spaces in our units."

Hon. Mr. Bennett: That is not what I am saying.

Mr. McClellan: Okay, as long as it is clear we have some problems with your proposal as it applies to the co-ops.

Hon. Mr. Bennett: You are twisting it.

Mr. McClellan: No, I am not trying to twist it.

Hon. Mr. Bennett: I made it very clear I am talking about people on the waiting list.

Mr. McClellan: All right, and we talk about the problems.

Hon. Mr. Bennett: Here is the distinction I want to draw. If we are not here to attempt to reduce the waiting list, from which you so often put forward the great figures, then I really do not know how we are ever going to achieve housing units. If you want to work on another group of

people and leave the neediest waiting, I do not know how you justify that either in moral terms or in economic terms. That is where the crunch comes. The city of Ottawa has now accepted the proposal offered by the minister for the 35 and five per cent off the common waiting list and on a common rating system.

We talked about the 1,400 units we got originally. Then we got 580; 500 in Metro Toronto and 80 units for Ottawa. In Ottawa the federal government and private nonprofits had already made a commitment and the second phase was for municipal nonprofits, which would have to be built as part of this complex. One could not go without the other. The federal government had to come along and give the other 80 units to make it a workable program.

We talked about the area of the private sector, those who can build affordable rental accommodation. The private sector said very clearly to me and to Mr. LeBlanc that if we afforded them the same opportunities in the funding as are provided for other organizations, such as private, public and co-op, the private sector would flourish substantially.

Mr. McClellan: With large subsidies.

10:10 p.m.

Hon. Mr. Bennett: Let us not kid ourselves. Because the municipal nonprofit has the ability does not make it one tinker's darn cheaper because the same people are building, the Tridels, the Goldlists, the Minto Constructions, and so on.

Mr. McClellan: They want subsidies; that is what I said.

Hon. Mr. Bennett: Because the cost—I told you last year and I am repeating it this year. I will go through it. The difference between economics and market is substantially different.

Mr. McClellan: That is what I said.

Hon. Mr. Bennett: As long as you keep it in mind.

Mr. McClellan: We are saying the same thing.

Hon. Mr. Bennett: Right. It is no cheaper to operate it as a municipal nonprofit than it is in the private sector.

Mr. McClellan: That is exactly what I said.

Hon. Mr. Bennett: In the long term it might be less expensive to operate it through the private sector because there are certain tax advantages.

Mr. McClellan: If you want to give massive public subsidies to people to increase their own private portfolios, that is your business.

Hon. Mr. Bennett: Massive public subsidies, regardless of whom it is to.

Mr. McClellan: One is for private enrichment and the other keeps it in the public domain.

Hon. Mr. Bennett: I guess we could sit down and argue that, but I am not a tax man so I am not going to get into the whole argument of taxation. I can tell you there is no way. You asked me, "Why did you not turn the rental construction loan program over to the municipal nonprofits, private nonprofits and co-ops?"

Mr. McClellan: No. Just so you understand what I said, I asked why did you not take the \$90 million—

Hon. Mr. Bennett: That is what I said.

Mr. McClellan: —and make that available to the nonprofit sector developers instead of the private sector developers?

Hon. Mr. Bennett: For the simple reason that if you went and asked the private nonprofits, co-ops and so on, you would find they were not prepared to put up front-end investment; they do not today.

When we offered the Ontario rental construction loan program to the various people, they had two things that they invested in. First, they like to have their land already capitalized and, second, they also put in an equity position and were prepared to wait five to seven years, and maybe longer, to have it turn the corner before it became a break-even proposition. The co-ops, the private nonprofits and the municipal nonprofits are not prepared to do that, and I can clearly understand why.

That is not the way they were funded. They were not funded under that type of program. They do not have an equity position which the private sector has to have.

As to the financial breakdown of the co-ops, none of them has an equity where they put up 10, 15 or 20 per cent of the capitalization of the project. When we get into the private sector, that is one of the things we expect them to come forward with.

I listened to people with the Housing and Urban Development Association of Canada and the Urban Development Institute when they told me what we should do in relation to rent control and rent review, and what we should do about shelter allowance and the reasons made for shelter allowances. If we tread upon that territory with the glibness that some people express, there would be money left for only two things, and that would be housing and health. We would sure take everybody down the road in great haste. I am

not going to believe that shelter allowance would be used as widely or without discretion as some people would have me believe.

One of the things that does upset me at times with the industry when they get all excited about the amount of money that the federal and provincial governments are investing in public housing is that they say we do not target it sufficiently—or 100 per cent; pardon me—to people on the waiting list.

I offer a suggestion to this committee, as I have to the industry. If we try to return to doing what the Ontario Housing Corp. did back in the 1960s, when it built 300 apartment units and put into them everyone who was on a public waiting list, the community would rise up in protest to an unbelievable extent. Indeed, even today, when we have municipal nonprofits, we still have problems occasionally getting them to agree when a zoning change is required to allow that type of unit to be built in a community.

I suggest to the industry that if it could allocate 100 per cent of those units for rent geared to income in any given community, there would be absolute warfare, and I do not intend to get into a war, nor do I in any way intend to try to suggest to the municipalities that we should infringe upon them to the extent that some of their present units have.

I have listened to people tell me what they think of some of the old projects under OHC, and how we should change them and so on. If the time should come when we could make some of those changes, it would be great. I am not sure it will improve it; I really am not.

So while I accept some of the views of the private sector, at times I do get a little perturbed that they glibly try to suggest how you can do it with no problems—no problems until the problems arise, and then all of a sudden they will turn and say to the politicians, be they municipal or provincial: "It is your problem. You resolve it. You get the zoning straightened out. It is not my fault. It is the way you are doing it." I am not about to go back to the old days and try to fight those wars and get burned badly.

The last thing is that we are continuing to have some negotiations and discussions with the federal government on certain programs, and I am not going to go into them, because we have had no acceptance. But whatever we do in relation to trying to stimulate rental construction, if we cannot get an agreement from the federal government to allow us to take 35 per cent of the units from the private sector, which might develop rental accommodation, put them on rent

geared to income and to allocate those units under the 50-50 agreement between the federal and provincial government, then I suggest you are absolutely right. We are throwing a lot of good public money out into a marketplace that is not going to satisfy some of the urgent demands of low-cost, rent-geared-to-income housing.

One of the things Mr. LeBlanc did, in defence of his Canada rental supply program, was that he gave you a third of all the units for rent geared to income, but they were over and above any allocation he gave you. In other words, they were freebies in that sense of the word. I think if we get into some program we might have the same kind of courtesy, some freebies, because the capitalization and so on by a province, I think, has to have some recognition that it is serving a certain marketplace out there.

One thing the member for Oshawa asked is about the renewal programs. If you turn to page 2 you will notice that the first one is the neighbourhood improvement program. That is a federal-provincial program. The other one is the Ontario neighbourhood improvement program, where we are participating with the municipalities.

Did I answer or cover all your points properly?

Mr. McClellan: I think so. We can come back and have some more discussion about some of them, but I think you have responded to all the points I made.

Mr. Breagh: Mr. Chairman, we are getting near the end of the evening. I do not expect a response tonight, but I want to get something on the record. Maybe the minister can respond later.

Once again in my community I am looking at that little group of folks called Canada Mortgage and Housing Corp. selling off apartment buildings, this time at 1010 Glen Street in Oshawa. We went through this before, and I appreciate that you do not run CMHC but you are the Minister of Municipal Affairs and Housing and you might have some things to say about this. I really wish you would get some people on your staff to take a look at what has happened.

CMHC has just sold off another fairly large apartment building in Oshawa to a private development firm from Montreal—Anjay, I think it is. I will check the name for you later.

The building was put up in 1976. The people were notified by CMHC on Friday that the sale had been completed. There was a little hiccup about not paying your rent until Monday.

The first thing they got was a notice from the new owners saying: "You are behind in your rent. If you do that again, we are going to kick

you out of here." The second thing they got, after they had waited three hours Monday morning to pay their rent, was notice that they were going to get about a 60 per cent increase in their rent.

I have on several occasions raised my concerns about CMHC doing this, all the way from selling off large blocks of units at less than fire sale prices, and I really wish you would have some of the people on your staff take a look at it, because it is certainly having an impact on my community and I am aware that the same process has happened in other communities.

10:20 p.m.

It really seems to me that there is something amiss when a federal agency like CMHC takes large chunks of housing in anybody's community, wheels and deals in the private sector, does not tender them, has a system of tendering—they have a nice, polite term for it, but tendering among your friends is what it essentially amounts to—no one hears about it until the sales have been completed, and the upshot of it usually is that rental accommodation, a scarce commodity in my community, gets faced with a 60 per cent increase. It misses rent review by one year and it would appear there is not very much anybody can do about it.

This has gone on in my community for about two years now, and I am getting fed up with it all. I would be interested in your comments on that.

Hon. Mr. Bennett: If I may suggest, a year ago when we discussed that other question as you will recall, the breakdown, including the refurbishing and renovation costs, was rather substantial as well. The capitalization became considerably more. We will have someone look into it to see what the situation is.

I missed one point Ross talked about. Yes, we did encourage municipalities to establish municipal nonprofits because that was the only way we could build low-rent units in those communities. I think, overall, we have done very well with them. Virtually every one of the municipal nonprofits that have been established—not all of them but most of them—added units at some time or other. They got into the rent supplement program or other aspects of it.

It was never promised when we established municipal nonprofits that we could guarantee we were going to have an allocation in every given year forever, any more than I can guarantee that the present program for the municipal nonprofits, co-ops and the private nonprofits will be around a year from now. If we go through a federal election, I hate to guess at what programs will survive the onslaught of an election.

Mr. McClellan: "Onslaught" is probably is the right word.

Hon. Mr. Bennett: I cannot get any guarantee from the federal minister as to the continuation of any program, any more than I can get him to give me the allocation by December 1 of every given year.

By our agreement, the allocation is supposed to be in to us by December 1. We are lucky if we get it by the end of February, and sometimes it takes considerably longer.

I recognize we have gone from 2,800 units in 1982 to 2,200 in 1983, and this year we are down to 1,980. As you said, I guess there is some kind of hidden message there for us. I am not sure it is so hidden.

Mr. McClellan: Yes, right. I said it was a death warning.

Hon. Mr. Bennett: I do not go quite that far. I agree with the late John Rhodes, who used to say about programs: "If you are going to injure it to the point that it cannot survive, then get rid of it completely. Don't keep wounding it so you feel the pain every year."

Mr. McClellan: Just before we wrap up, I assume it is possible to obtain the information about the Ontario rental construction loan program by some time next week?

Hon. Mr. Bennett: Yes, that is right.

Mr. Chairman: We have roughly six minutes left. Do you wish to discuss item 1 now and have a presentation, as the minister has indicated, next

time we sit, which will be Tuesday evening of next week?

Mr. Breaugh: Let us review that question with the presentation.

Mr. Epp: I would prefer not to have the vote on this one now. Are you going to have the presentation on the first section next week?

Mr. Chairman: Whatever the committee wants.

Mr. McClellan: Let us wrap up now, and come back and start with the presentation.

Mr. Epp: How long is the presentation?

Mr. Chairman: The presentation for the first vote will take about four minutes, so I am told.

Mr. Breaugh: If Herbie wants to take both those, there is no sense in having the presentation tonight.

Mr. Epp: Is that the one that starts with the picture of Mr. Fleming near his pool?

Mr. Chairman: I am sure Mr. Bennett is in that, and Mr. Cornell. We have a lot of pictures, I am sure.

Hon. Mr. Bennett: It was taken in his backyard. Just kidding, Eric.

Mr. Epp: I just thought I would ask.

Mr. Chairman: We will start with the presentation immediately at 8 p.m., when everybody is on time, on Tuesday, June 12. Thank you very much, gentlemen. Tuesday next, at eight o'clock.

The committee adjourned at 10:25 p.m.

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Bennett, Hon. C. F., Minister of Municipal Affairs and Housing (Ottawa South PC)
Breaugh, M. J. (Oshawa NDP)
Epp, H. A. (Waterloo North L)
Laughren, F. (Nickel Belt NDP)
McClellan, R. A. (Bellwoods NDP)



Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament
Tuesday, June 12, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 12, 1984

The committee met at 8:04 p.m. in room 151.

ESTIMATES, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (continued)

On vote 2501, ministry administration program; item 1, main office:

Mr. Chairman: We are beginning debate on the estimates of the Ministry of Municipal Affairs and Housing. Does the minister have an opening statement?

Hon. Mr. Bennett: Mr. Chairman, are we on vote 2501? I thought when we concluded our remarks the last time, we were going to have a presentation.

Mr. Chairman: On vote 2501, yes.

Hon. Mr. Bennett: Mr. Church.

Mr. Church: Mr. Chairman, we thought the members would be interested in—

Mr. Epp: Is this "Church" a cathedral?

Hon. Mr. Bennett: With a high roof.

Mr. Church: But not an encyclical or papal bull.

Hon. Mr. Bennett: That comes in September.

Mr. Church: We thought the members might be interested in one of the most important aspects of managing in the public service right now and that is the strategic issue of human resource planning, particularly given the context of constraint and relatively slow career path movement.

I would like to introduce Arnie Temple to the members. He is the director of our human resources branch who has a very brief presentation on the kinds of issues we are facing, the environment we have. I am sure he would be delighted to answer questions.

Mr. Temple: Mr. Chairman, could I have a little more light than that please? Thank you.

Mr. Chairman: What is with the Temple and the Church here together? There has to be some significance.

Hon. Mr. Bennett: It is a very religious ministry.

Mr. Epp: We have the Church up here and the Temple down there and we keep rolling.

Mr. Temple: Wait until you see who is next.

As of now, our ministry has close to 1,200 people with all the egos, needs, wants, problems and ambition common to groups of employees in government and industry everywhere. Increasingly we find when we get together with our colleagues in the private sector we are facing similar challenges.

People are our key resource. As managers, one of our key challenges and responsibilities is to plan and manage our people smartly. We did this very well in the past. The challenges we faced then were very different to the ones we face today.

Organizations, including governments, were growing. Since organizations were growing, there were greater opportunities for personal and career growth and there was less competition for the financial resources.

Let us look at the challenges we are facing today. There is a continually increasing demand for services by the public. There is a much greater competition for dollars. Technology is changing the way we work and few, if any, organizations, public or private, have large hiring programs.

What does this mean for people?

The first and most significant impact is the large number of casualties. These are the people who, through no fault of their own, find their jobs have disappeared. In most organizations, there are fewer jobs and fewer opportunities for career growth.

We are also expecting more from each individual. With greater demands for service, each person is expected to make a greater contribution, to stretch and to do a little more.

What are we in the Ministry of Municipal Affairs and Housing doing to meet the challenges facing our people?

The first and most important action we are taking is to minimize the casualties resulting from downsizing and streamlining. The ministry has a program to help staff whose jobs have been eliminated to find employment elsewhere. Remember, these are the people who, because of organizational changes, have lost their jobs. These are not performance problems.

We help by counselling them to overcome the trauma of job loss, by teaching them to market

their skills, prepare them for job interviews and give them information on job opportunities that come up.

Our record in this has been excellent. Of the positions eliminated, 46 people were potential casualties. All found other jobs prior to the expiry of their notice period.

Mr. Epp: Is this part of the presentation? Where are the dancing girls? Where is the stage show?

8:10 p.m.

Mr. Temple: It is part of the religious experience that the Church and the Temple put on.

We also have the career development options program. This is a unique program to help staff who are interested in a career change either within or outside the Ontario public service. You had a presentation on this at the last session of the estimates for the ministry. A number of our colleagues in the private sector have expressed interest in this program as a model for some of their activities.

The good management of our people is vital to the smooth running of the ministry. We are concentrating our efforts on training our managers to be good people managers, to get the most out of their people, and to ensure that their people get the most out of their jobs.

We have improved our goal-setting and review process to ensure that employees know what they are required to do, how their work contributes to the success of the ministry, and how well they are doing. This process also gives the employees a say in what they will be doing and how best to do it.

Through goal setting and review, we are also identifying what training our staff need to do their jobs better. That is what we are doing to meet today's challenges, but we must also ensure we are ready to meet tomorrow's challenges.

Our human resource planning efforts are designed to make sure our people have the right skills and the right talents to meet our future needs. We are going to reach a little higher and go a little further for our people, to encourage continued innovation, greater contributions and greater job satisfaction.

I would like to give an example of some of the things we have been doing for our people, if I may, to have them stretch a little further. Many organizations, both public and private, are very concerned about how able their employees are to produce. As a result of this, there has been a great concern about employee fitness. This ministry embarked on a project last fall where in excess of

400 employees were given fitness assessments at the Young Men's Christian Association, with recommended fitness programs.

We do not know the results of this or whether this will improve productivity. Our early indications, though, are that attendance has improved. We are also expecting, if even a small number of these employees pursue the fitness activities, they will be able to work healthier, smarter and better for the ministry. Thank you.

Mr. Chairman: Any further presentation on this vote?

Hon. Mr. Bennett: Mr. Chairman, we have one other presentation, if members are interested. It deals with the building code which we took over about a year ago from the Ministry of Consumer and Commercial Relations. We are continuing to expand and develop it, and to get more and more input from the private sector. If the members wish us to give a short overview of that, we would be pleased to do it. It comes under this vote as well.

Mr. Chairman: Would the members like to see it?

Mr. Epp: Mr. Chairman, on administration, I would like to ask the minister if he foresees the possibility in the near future of taking over the assessment branch of the Ministry of Revenue. As you know, that is very closely related to Municipal Affairs and Housing, particularly municipal affairs. It has been suggested in the past, and it is kind of a logical extension if you were to reorganize things.

We spoke a few years ago, when this was part of Intergovernmental Affairs, about Municipal Affairs and Housing being together, and that has materialized. Have you looked seriously at the possibility of integrating assessment with Municipal Affairs and Housing, and if so, what are your reactions to it?

Hon. Mr. Bennett: Yes, we have looked at it and given it some thought. We have even had some fairly interesting discussions between the government and those in the municipal field as to whether they would see it as the appropriate place for assessment.

There are mixed reactions, of course. There are some people who think maybe we should take a more aggressive position and not worry about whether it comes to Municipal Affairs but whether it should revert back into the municipal sphere entirely, which is always a possibility.

I do not want to get into a full discussion on it tonight, but I have some positive aspects on that, very positive. I may not go quite as far in doing

what some people at the municipal level want, since I have, let me say, at the municipal level a variety of suggestions on how it should be handled.

Yes, we have looked at it and continue to review it, and the day could very well come when the government decides, if we are going to do step one, there will be one, two, and maybe three, all in one move.

Mr. Epp: I presume I am in order here, that this is very relevant to the administrative aspect. I would think it is a logical extension. The other aspect, and I appreciate you mentioning it, is that you might look at reverting back to the municipality, particularly on a regional basis.

Hon. Mr. Bennett: That is correct.

Mr. Epp: I know municipalities probably would be a little more sympathetic to that if the ministry were to continue to absorb some of the costs. I think one of the things they are concerned about is that you absorb the costs right now provincially, and if you give assessment back to the municipalities they are going to have to absorb the costs, which might be fairly prohibitive in some areas. It is something that will have to be negotiated or contracted over time. It is something that should be seriously looked at.

Hon. Mr. Bennett: There is no doubt about it; that is part of the discussions. When you get in with the municipalities it relates to who will pick up the cost of administering; if it was to revert to regional governments, to districts, to counties, or to certain geographical areas, whatever would be the final decision, who will pay the bill for doing the assessment.

As we have said, in other grant formulas we have never—before I get into that you must remember that when we took over it in 1969-70, Mr. Epp, you were at the municipal level and so was I. We thought it was a great thing, because Ontario came along, took over all our assessment problems, took over all our vested debt in pension plans and so on for the employees who were going over to the provincial government.

They virtually left us with all the equipment, desks and supplies, typewriters and so on, and they did not ask for a thing from the municipality. The province footed the entire bill. We thought it was gravy; we thought it was just a great deal. You could not ask for much better.

If the thing were to reverse, I am sure the municipalities would have forgotten what the deal was in 1969-70. In the process of doing it, they would be looking for some compensation.

I want to underline the whole discussion we are having with the word "if." If we were making

a move in that direction I cannot believe you would do it without some fair compensation of municipalities, or whatever level of government takes it over, to look after the assessment rolls in Ontario.

I am one who thinks assessment really belongs to the municipality. It does not belong to the province. It is really the asset of a municipality. It is the basis of a municipality's survival and existence. It is the basis of its taxing.

When we took over it in 1969 and 1970, while there was a little screaming and yelling, I think most people would agree it was good to try and get a unified assessment, that is unified in the sense that people were all dealing from the same position. We had trained, knowledgeable people, both young and older, working in the field of assessments, and a great number of degrees in the field of assessment.

No doubt if we could get everybody on a section 63, or whatever we call it today, get to a region-wide section 63, I think we would be much better off in all aspects of municipal financing. That is a giant step, particularly for Metropolitan Toronto.

I think Sudbury has volunteered to be used as the first example of a region-wide assessment factor, and I think if we move in that direction it might very well prove to a lot of people that, for the first time, there will be Sudbury and one or two other communities in the Sudbury basin all coming from the same position instead of having to use some factors to make them comparable. Whether one's factors are right or wrong is always up for question.

Without getting into government policy at this point, I guess if we did move in that direction, as we have done in all other cases where we have asked municipalities to assume new responsibilities, or old responsibilities under a new situation, some financial comfort has been afforded to them in doing so.

Mr. Epp: I think if you were to do it, you would have to retain some kind of province-wide standard.

Hon. Mr. Bennett: That is correct.

Mr. Epp: You could not permit each municipality to go on and do its thing. Although we had provincial standards prior to 1969, as you know they were somewhat lax. Had they been a little more uniform and more uniformly applied through the 25 to 30 years prior—I recognize things were in a changing cycle at that time—the province probably would not have had to take it over.

There were a lot of diversions from those uniform standards, and as a result the province in its wisdom felt it had to take them over.

8:20 p.m.

Hon. Mr. Bennett: We did not have quite the same sophistication in knowledge or educating the people with the courses that have been available.

Mr. Epp: Right; computerization and everything else.

Hon. Mr. Bennett: It is much more professional—that is the best word to use—in assessment today than it was back in years gone by. You and I know that in some places it was pretty—

Mr. Epp: Pretty loose.

Hon. Mr. Bennett: —loose. If nobody reported that Joe had built a house, it did not get on the tax roll; and if the assessor did not drive down that road in the coming year, it did not get taxed in that year either. It might be several years before it appeared on the tax rolls.

Mr. Breaugh: That happens even now.

Hon. Mr. Bennett: Not to the same degree. But let me tell you, I think as a result of the grant formula, as I mentioned the other night, we are going to find the assessment department is going to be called back to do assessments on a great number of apartment units that up to this point have not been declared as separate living units.

Whether that increases taxes or not I am not sure, but it surely would increase the provincial government's transfer payment inasmuch as we pay it on a per unit basis rather than on a per capita basis.

Mr. Epp: The sophistication of the public and of the assessors and so forth has all increased.

The other problem I see is, if you were to give it to a regional area there would be a lot of municipalities within that region—for instance, Toronto—that would be very upset at the fact that the region could make a decision on the kind of assessment in that area.

Even within the region of Metropolitan Toronto I guess there are some municipalities, like Toronto itself, that would be very offended if subsection 63(3) were applied, whereas there may be some outlying areas—and I use that word loosely—such as Scarborough and North York, that might want to go to 63(3).

Hon. Mr. Bennett: Of course, it all comes down to whether you got yourself to a region-wide or a Metro-wide assessment factor; that is where it really would come into play. In fact, the cost of administering an assessment operation

such as that would be the same as that of any other metro service that has been afforded to the community. It just gets locked into the overall operating costs and you pay in accordance with the factor or the percentage of assessment versus the entire region.

Mr. Epp: It is not so much the payment of it that I am inclined to question as the fact that 63(3) might be applied; Toronto and other areas have resisted and they would not want it necessarily applied to the whole metropolitan area.

Hon. Mr. Bennett: I do not think we will move away from the optional position, whereby it is carried out at the request and instruction of the municipalities. I do not think we will move from that unless, I suppose, we found we had two thirds of the political forces in any given area saying, "Let us go for it." Then democracy still has a little bit of significance in the society you live in, and I would suggest with that kind of vote I would have to think it would be an instruction to somebody, government at the metro or provincial level, to take some proper course of action.

Mr. Epp: I would hope the local level can make that decision to opt in or not opt in.

Hon. Mr. Bennett: That is right.

Mr. Chairman: Can we move back to whether or not we want the other presentation made to us?

Mr. Breaugh: I would be interested in hearing a little presentation on the building code.

Mr. Chairman: Then we can get into the balance of discussion on this total vote.

Hon. Mr. Bennett: This is an area of the ministry that has taken a fair amount of time in the last year, but it is pleasing to see the response from municipal and private sources—the building industry, the construction supply industry and various others. They are interested in trying to find some way to unify building regulations across the board in the province and, indeed, to try to rationalize what we are doing at the national level and what we are doing at the provincial level, see if we cannot get a degree of consistency and bring together some of the organizations that do some of the standard setting, the Canadian Standards Association and one or two others, and get them to find a greater degree of co-operation.

We had a discussion the other day with someone, and Dave Hodgson here might touch on it. I can go and get CSA approval and then some insurance group can say, "That is not good enough; you have to come to get ours, too." The next thing you know you are going through a

series of approvals, and one really has to wonder who in our society today ultimately can say that the standards have been achieved instead of just spending all this time and money. I might say that—and none of this applies to those present—but the lawyers seem to wind up doing well by it all, because they just keep running from one organization to another.

Mr. Breagh: They have a good union. That is why lawyers always do well.

Hon. Mr. Bennett: It is a self-serving one.

Mr. Breagh: Yes.

Hon. Mr. Bennett: Closed shop.

Mr. Breagh: You said it.

Mr. Epp: Is this Mr. Hodgson any relation to the Bill Hodgson we know?

Hon. Mr. Bennett: You are correct. Does he not look like his father?

Mr. Epp: He sure does.

Mr. Hodgson: Same grey hair.

Mr. Chairman: The thing is he has lots of it.

Mr. Hodgson: Mr. Chairman and members of the committee, as the minister indicated, last year I made a presentation to this committee on the building regulations in Ontario in the overall context of the transfer of the branch from the Ministry of Consumer and Commercial Relations to the Ministry of Municipal Affairs and Housing.

At that time, I described a new branch, the Ontario buildings branch, which basically has the traditional roles of the old building code branch, maintaining and developing the building code and the plumbing regulations under the Ontario Water Resources Act, maintaining the Building Code Commission and the Building Materials Evaluation Commission, and providing advice and interpretations to municipalities and builders alike.

I also outlined a new mandate for the branch at that time. The new mandate can generally be summarized as follows: it is to consolidate and streamline both legislation and regulations, to undertake education and training of municipal building officials and the industry, and to undertake policy and research. Generally, the policy and research are with respect to maintaining the current high level of safety we have in the buildings constructed in Ontario, but with a new slant to it. That is to assist the industry to become more productive and more efficient.

Since I last spoke with you, we have consulted extensively with the building industry. We have had a series of seminars across the province. We

have had a little over 6,500 people at them. More recently, as the minister indicated, we have established the Building Industry Advisory Council, consisting of 20 respected leaders throughout the building industry.

We have discussed with them areas of immediate concern to them and we have asked generally for their guidance in establishing a work plan for the branch and the ministry in the coming fiscal year. Based on consultation, we have identified four areas for immediate action.

The first is legislation. One nice thing we found is that Canada, and in particular Ontario, is recognized as a world leader in terms of building safety and building legislation. However, the sheer volume of legislation that has been built up over the last 10 or so years has obviously created overlaps. What we plan to do, in co-operation with the other ministries across the government, is as far as possible to eliminate those overlaps. We also feel there are real opportunities to co-ordinate the administration of this legislation both at Queen's Park and out in the field.

The next area we have identified, along with the industry, is the regulations themselves. Again, Ontario is recognized in Canada as a leader in the regulation field, but as in the case of the legislation there are obvious overlaps. These will be removed.

We thought that perhaps the code and the regulations were too prescriptive. The code is very prescriptive. It outlines how buildings should be built. The industry told us that for small buildings, particularly residential buildings, this uniformity of building standard is a good thing; however, they have indicated to us that flexibility is definitely required when we get to buildings such as the Toronto-Dominion Centre and other large office complexes.

One thing we are going to look at over the next year is the feasibility of developing more performance-oriented standards. Another general rule of thumb is that we are going to try to educate as opposed to regulate. I can give you examples of that later if you wish and if you have time.

Finally, we want to look at other jurisdictions and the innovations they have in regulations. A good example of that is in Vancouver where they have put together a course for architects and engineers. The city then tests them—they have to pass rigorous exams—to become certified building professionals. A certified building professional can approve his own plans and inspect his own buildings. This results in a cost saving both

to the municipality and the industry of several tens of thousands of dollars.

The third area is the administration of the regulations. This is one area where we feel real gains can be made, almost in the immediate future. The industry has said to us it is not necessarily the regulations it has problems with; it is the local administration of those regulations.

As you are aware, municipalities are charged with the responsibility of enforcing the code, but there is a wide variance across Ontario in terms of the financial and human resources that are allocated to this important function.

8:30 p.m.

Mr. Wildman: That is an understatement.

Mr. Hodgson: That is true. It is an understatement.

We feel that with education and training we can improve the knowledge of the inspector and thereby improve the safety of buildings. We can also speed up the approval process and perhaps eventually down the road delegate some of those provincial responsibilities to local levels—as I say, perhaps.

In the area of consistency of code interpretation, there is much the building code branch can do in improving our advice and interpretation to municipalities. If we can improve the consistency of the interpretations at the local level, we can remove a lot of the confrontation that has built up over the past few years between builders and building officials.

With regard to administrative systems, for a large part of Ontario the administrative systems of building branches or departments in many municipalities are somewhat archaic. We hope we can improve the administration of these regulations, similar to the general upgrading the Ministry of Municipal Affairs and Housing has done in other areas of municipal administration, such as administration, finance and planning. Then, again, we can improve the building process and speed it up.

Finally, there is a lot to be done with attitudes. A lot of building officials see their role as enforcers, not building facilitators, and the public is discouraged from going down to get advice on safety matters. They are discouraged from going to get a building permit for a wood stove. They are discouraged from phoning up and saying, "Am I doing this the right way?"

Some municipalities have an attitude of "let us nail them to the cross." The delays in getting out permits can be, in some instances, six weeks as opposed to an adjacent municipality that can

approve a permit in two or three days. There is much to be done in terms of attitudes.

Finally, we have the industry itself. The industry is very important to this province. Last year, for example, approximately 120,000 building permits were issued for a total construction value of about \$5.5 billion. If you apply the normal multipliers to that, it turns out to be about a \$12.5-billion or \$15-billion industry. It is very important.

However, in some ways, it is suffering. Its general share of the economic activity of the province is shrinking, it has a relatively high unemployment rate, and its productivity is low in comparison to other sectors such as agriculture and manufacturing. We are now examining the role that governments may have in working with the industry as a partner to increase the productivity of this vital industry.

We are looking at the increased use of new technology. Much is being developed out there, but it is not getting down to ABC Construction in the field. We are looking at a focus for research and development. One of the problems is that there is very little research and development being done by the industry itself.

For example, figures normally tossed about for an industry such as the fisheries industry indicate some \$6,000 per employee per year devoted to research and development. Last year, the construction industry spent, according to Statistics Canada, somewhere around \$41 per employee. We have to increase the amount of R and D that is going in there. Information sharing between governments and within the industry itself has to become a normal course of events.

Finally, with respect to education and training, we have to educate the industry as to what is expected of it in complying with building regulations and getting these new building techniques out into the industry.

That is a very brief presentation on where we hope to go in this next year.

Mr. Breaugh: I wonder if I could ask a question while Mr. Hodgson is here.

I am interested in a number of the studies, reports and actions of the Solicitor General (Mr. G. W. Taylor) in regard to fire safety in buildings. I am wondering how all of that gets integrated into programs which you administer, the actual practical applications in the field. Could you perhaps touch on that a bit?

Mr. Hodgson: If you are referring specifically to the Webber commission: the building code branch, then in the Ministry of Consumer and Commercial Relations, commissioned a report

by Dunlop Farrow Aitken Cansfield into fire safety in high-rise buildings. This was a year before the Webber commission. The Webber commission was then commissioned to do a similar report.

We established an internal committee with the Ministry of the Solicitor General in about March 1983. We went through our internal consultant's report and the testimony of the Webber commission as it was being developed. We now have the final report and we are going through that to see how it impacts on other ministries as well. For example, there are a number of recommendations that deal with the activities of the elevating devices safety branch in the Ministry of Consumer and Commercial Relations.

We are trying to integrate this on a government-wide basis and we hope to respond early in the fall with our preliminary indication of how we are going to respond to those recommendations, not just those of the Webber commission but in the total area.

Mr. Breagh: When might we expect to see some application of those or similar recommendations?

Mr. Hodgson: In terms of response to the new recommendations, that will be a matter for the government to implement in various pieces of legislation and the regulations themselves, but you have to recognize that, of those 142 recommendations of the Webber commission, about 65 per cent have already been implemented in the Ontario Building Code amendments of last October.

Mr. Breagh: Do we have any kind of projected date when the recommendations of that report or those that are accepted and agreed upon will be implemented?

Mr. Hodgson: From a staff point of view, we hope to have an internal assessment done by early fall, because they are very comprehensive. We also are aware of several recent studies that are to be released about July this year from the United States and we want to see that Ontario's legislation is sort of state of the art.

Mr. Breagh: So we still have a fair piece of time to go before we would see that in action, so to speak. By the fall we may have arrived at the final positions within your ministry, and they will kind of fit with others. The process after that would be that where legislation needs to be altered in some form we would see that. Then about a year later we might see actual implementation.

Hon. Mr. Bennett: I would say yes. It depends, Mr. Breagh. Some of those would affect our ministry directly and some would come under the Solicitor General and the fire regulations and so on. Those suggestions or recommendations that come from my staff will be left with Mr. Taylor and others, and eventually we will get around to it. We will do it as quickly as possible, but we do not want to do it so that we send, as sometimes happens, complete shock waves through the industry because they do not know how to cope with some of the things.

It is great to come along with some suggestions and ideas and then all of a sudden people wake up to the fact they are not sure how to implement them.

Mr. Breagh: Yes. My concern is that having done all of this kind of study and report, and formulating these recommendations, which is nice, when do we see them actually put in place?

Is there any consideration to retrofit of older buildings? A number of our municipalities have run into problems and big arguments around even simple things like smoke detectors and how to get them in place.

It has been my experience in the last little while that fire marshals are far more aggressive in going into buildings. They usually pick them up when there is conversion of a building from an individual home or a resale is involved or a group home goes in.

It has struck me on a couple of occasions that the mechanism that is used is that a representative of the fire marshal's office visits the premises and says one must do this, this and this. I am encountering a little bit of difficulty because it is hard to argue with the fire marshal about measures that would save lives.

On the other hand, it strikes me that a fire marshal may not know a whole lot about how to put a building together and he may be recommending—and it seems to me they are—some rather impractical resolutions to problems, and they do not seem too amenable to discussing the matter. They seem to be more of a mind to walk into a building and say one must do this and there is no argument as to whether that is practical, reasonable, rational or whatever.

It is difficult when you get involved in a dispute of this nature because the hard line is that if the fire marshal says you have to do this, you have to do it.

Mr. Hodgson: In terms of retrofitting buildings, again this is a matter you may want to take up with the Solicitor General at some point as he has undertaken a program of retrofit. He has Part

IX of the fire code, which now addresses boarding lodges and assembly occupancies. I know there is a staff in the ministry committee looking at large residential buildings for retrofit.

In terms of the dispute arbitration mechanism, we have the building code commission, whereby an applicant for a permit and a building official can arbitrate their differences through this body which is arm's length from the branch.

Since about March of last year, or April thereof, there has been established a fire code commission to do exactly that for fire orders. There is a fire code commission to arbitrate these things.

8:40 p.m.

Mr. Breaugh: One other area related to this is of some concern to me. I do not know how much work you are doing on it.

We have a number of new buildings. One across the road from my office in Oshawa is the Ministry of Revenue building. In the spring of this year an active case of tuberculosis was found in the building. It brought to light all the related problems about health matters and got me into reading a lot of material about new buildings that were essentially designed from one point of view, energy awareness and saving energy.

In downtown Toronto it is pretty easy to walk around and see huge buildings being put up that look really different from buildings that would have been put up 10 years ago. The bottom line on that is an awareness about energy, the use of light, the recirculation of air, recovering lost energy, heating it with the body warmth of employees and a whole range of options.

In the process of doing that and approaching it from one angle, we seem to open up a number of health-related problems. For example, the interesting question raised in the Ministry of Revenue building is that there is a fairly well-recognized method of testing to see whether somebody who has an active case of tuberculosis would actually spread that.

There has been some disagreement about what is contagious and what is not. It used to be that somebody would work in a room like this, a fairly closed-off area. If there was a communicable disease, it would be easy to identify who that person would regularly come into contact with.

In a modern office building it would be unusual to see walls like these. It would more likely be a much more open plan. What is more prevalent these days is a complete circulation of air internally in the building. Theoretically at least, and I have read some studies that infer that this is not just theory, something that was

contagious in one part of the building would promptly be circulated through the entire building.

In terms of developing building codes, have we even looked at the health aspect of that? It is an element that was not considered very much before. We considered whether the building would fall down or not.

The internal design of buildings, the air systems, the heating systems and the ventilation systems, are of a different mode now than once were used. It certainly does seem possible, whether it would be a communicable disease or a health hazard of a different kind, that there would be a new set of problems having to do with health that would be involved in building.

In setting things like a building code, are we aware of that; and if we are, what kind of things are we doing to investigate that whole field? A number of American universities have attempted to inquire into that area and have begun a scientific analysis of the real effects; what might be a problem and what is no problem at all. How does all of that fit into our process here in Ontario?

Mr. Hodgson: I have two points. One, in terms of large buildings, the ones that are office buildings, and even our own building at 777 Bay Street, they are regulated.

There are standards, albeit they are American standards we are using right now. The American Society of Heating, Refrigerating and Air Conditioning determines how many air changes per hour and what certain levels of toxicants, carbon dioxide and other kinds of gases, are tolerable per employee, and also on a square footage basis.

These items are also regulated in existing buildings under the Occupational Health and Safety Act. There are standards for new construction in the building code and for existing buildings under the Occupational Health and Safety Act.

The monitoring that is done is largely on the basis that it is up to whoever is in the building to complain. Obviously, the building officials and the city of Toronto would not likely have the testing equipment to test the air quality.

What happened at 777 Bay Street was they came in because of staff problems due to the newness of the carpet. There was painting going on at night and a number of things. The whole air circulation system was just coming into its own then. We were experimenting with the number of air changes, what speed the fan should be on and various other things. There were tests done by the Ministry of Labour. They have little boxes that

can register the amounts and kinds of gases that are there.

In small residential buildings, the general routine has been to ask for more and more energy conservation requirements in houses. As you seal the houses tighter, the chance of contaminants building up, formaldehyde gas out of carpets or out of plywood and waferboard, is very real. The Housing and Urban Development Association of Canada, the Canada Mortgage and Housing Corp., the Ministry of Energy, Mines and Resources and ourselves have 40 houses under test right now to determine the effects of the buildup of possible contaminant gases in houses.

Mr. Breagh: So we are aware of the problem and looking at it.

Mr. Hodgson: The large buildings, both new and existing, are regulated. Small ones are under examination in terms of the total issue of air tightness, air quality, condensation buildup and a number of things.

Mr. Breagh: My interpretation of what I read made me think we had an awareness that health problems were caused but we are not sure why they are caused unless it came out of the industrial world. If there were problems in a factory we are able to trace the goods or materials into an office and relate that to health problems there, but it seems to be in its infancy.

Mr. Hodgson: I do not want to belabour the point, but, for example, the requirements we have for new construction in high-rise buildings are such that different levels of contaminants are allowed for a smoking area and for a nonsmoking area. You could regulate a small building for formaldehyde gas or whatever, and say you cannot have any more. If a person goes in and smokes half a package of cigarettes in a night, he can raise the formaldehyde level in his house about three times as much as anything coming out of carpets or whatever else.

Mr. Breagh: I get this lecture every day, Claude. I do not really need to get it again.

Hon. Mr. Bennett: The Ministry of Labour is looking at some of the standards of air exchange and in some buildings it is trying to increase the present rate of exchange. We are starting to observe the fact that some of the health standards are not as good as they should be as a result of stale air in the building.

I have been told some landlords are now increasing the machinery to do an air exchange on a more rapid basis. Obviously, those who are worried about energy conservation may be slightly perturbed, but I guess you have to

balance that against health. Health is a hell of a lot more important. If you do not have health, you will not need much heat either.

Mr. Breagh: If you do not have health, you may get more heat than you would otherwise.

Hon. Mr. Bennett: There may be the odd steam pipe running underneath the cemetery.

Mr. Breagh: Could you comment on two other areas for me? The first is the area of enforcement, a problem raised by the member for Algoma (Mr. Wildman) as to the levels of enforcement from one municipality to another.

Could you outline what efforts you are making to balance that and provide a little more consistency?

Mr. Hodgson: We hope we will be undertaking some initiatives to increase the whole consistency of enforcement—we should not use the word “enforcement,” we should use the word “administration”—of building regulations across the province.

We feel that through education and training of officials we can do a lot so everyone understands the rules of the building game. We also feel if we can change the attitudes somewhat we can do that, and we can help through administration demonstration programs.

The branch itself, over the last year, has done a fair bit. We are out in the field much more often. We are contacting building officials on a regular basis. Our code advisers, of whom we have about 10, now phone the advisers in certain geographic regions and ask, “How are you making out?” Increasing our exposure in the field has helped a lot, but there is a long way to go yet.

Mr. Breagh: So we are still going to be faced with pretty substantial inconsistencies in the foreseeable future?

8:50 p.m.

Hon. Mr. Bennett: There are two things David might want to touch on. One is trying to get municipal councillors to be more appreciative of the importance of the Ontario Building Code and why municipalities should assist us in trying to make sure it is enforced properly and not take it as something with which you can wheel and deal.

I was at a building inspectors' conference not so many weeks ago for questions, answers and so on. In some communities, building inspectors feel a little beset by some of the councillors. I think the province has to make it clear that building inspection is a very important aspect and if we do not work together some of the problems we are going to encounter are going to be extremely difficult.

The other thing is that on the tribunals, we are setting up districts or sections in the province and we are trying to put people into those areas to do some of the interpretation and enforcement so there is a greater degree of consistency and some local help to make arbitrary decisions. I use the word "arbitrary" where decisions have to be made in relationship to a community where they are trying to make the code fit.

Mr. Breagh: However, there are still a fair number of places in Ontario, sometimes organized and sometimes not, where inspection is really an afterthought or almost a token gesture at best.

Mr. Hodgson: Yes, very much so. There are municipalities that do not regard building permits as a matter of public protection for the constituents, nor as a matter of assisting someone. It is simply a revenue source. You issue the permit, take the \$25 or \$50 and that is it.

There are other municipalities that do complete, total inspections. That is what we would like to get to.

Mr. Wildman: May I ask a supplementary?

Mr. Chairman: Yes, certainly.

Mr. Wildman: I find this little bit of discussion interesting. I would like to find out from you where exactly we are with regard to the very rapid development of procedures for enforcing the building code, or administering it, as you prefer, in unorganized territories. As I have said, this rapid progression seems to be going on at an almost glacial pace.

Mr. Hodgson: Are you asking about the progression of more enforcement in unorganized territories?

Mr. Wildman: To having any enforcement.

Mr. Hodgson: We presented a number of options that could be utilized in unorganized territories. In large part, the people there do not necessarily want inspections. We have heard from two or three municipalities—

Mr. Wildman: This could be true of building owners in Toronto, too.

Mr. Hodgson: It could be. We are hoping to change attitudes. We have had discussions with the municipalities that have rapidly urbanizing areas. When I say "rapidly urbanizing," you have to take that a bit in context, too; where there are obviously some major building efforts adjacent to organized municipalities.

We are in the negotiation stage with one or two of them—and I will not say which ones at the moment—to see if we can enter into an agreement

between the province and the municipality to get a permit system and an inspection system.

Mr. Wildman: I have had a situation, which I am going to raise under another vote, of a subdivision in an unorganized area where there is a planning board that is related to an adjacent municipality which has jurisdiction over the unorganized area. People who were building in that subdivision had to pay for a building permit. They went to the municipality which had established the planning board, paid for a permit and never saw the inspector.

In fact, it is just a bit of revenue for that municipality. It did not provide any protection to the people who were building in the planning area.

I really am interested in what progress is being made. When are we going to see some application of the Ontario Building Code to buildings which are being built and for which we have to provide fire protection in unorganized areas?

Mr. Hodgson: All I can do is say it is something we are examining now, in the context of urbanizing areas adjacent to organized municipalities. In terms of when we can establish a major inspection system in unorganized territories, I will have to defer.

Mr. Wildman: I will finish off by saying I can certainly agree that in a small place—I will use a couple of examples from my riding—like Oba, which is 75 miles from the closest community, they probably would not appreciate the arrival of an inspector to look at the house they are building.

On the other hand, if you have a major development in an unorganized area which is close to a municipality and which is going to require the extension of fire protection services, for instance, then these people who are building should not simply have to pay the cost of a permit and not get any benefit that should accrue from applying for it.

Hon. Mr. Bennett: I do not disagree for a moment. This is part of the discussions and negotiations we now have. Not all municipalities want the responsibility, as you know. They say, "We have enough problems within the boundaries of the municipality which we serve."

On the other hand, they are the same people who are belly-aching and complaining because certain development is going on in unorganized territory. We have said to them, "You cannot have it both ways. If we are going to try to control this province properly, we need you as the consulting agent or contract agent, call it

whatever you want, to look after the unorganized territory."

I was not aware that some of them were collecting without doing anything in return for it, other than saying you can build in the unorganized territory. You and I know there are a number built in unorganized territory, regardless of who happens to be the controlling agent. There is no permit and absolutely no inspection.

Mr. Wildman: Sure. If you find out about it, it is fine.

Hon. Mr. Bennett: That is right. If you happen to find out, that is one thing. I said this to the building inspection group to whom I was speaking. We can enter into agreements with municipalities, and we are not asking for anybody to get a free ride, but the inspection would be better carried out by the group that is adjacent to it, know the conditions and so on.

However, I have to suggest it is going to take a while and a bit of a selling program. At this point, I might say one of the things in our favour is that in a great number of municipalities there has been reduced activity. They now find they have man hours which are not being occupied, therefore, some of them are a little more receptive to doing it.

It will not be an inexpensive proposition. I do agree there are a lot of people who moved into unorganized territory because they did not want any regulation. They did not want us bothering them. They did not want the municipality bothering them. They were not looking for any recreational services or any of the other things. They could freeload 10 miles down the road in somebody else's community. This is really what they do.

You have to be a slight bit cautious that you do not start creating a whole raft of expenses for the other taxpayers in Ontario for which they believe there is nothing to be accomplished. The main items under building inspection are in those massive buildings, public buildings and so on.

Individuals' homes should be as protected as they possibly can be. However, you and I know there are a lot of things done in homes without permits. It is only when a building or Hydro inspector comes in some months later, or a fire inspector on a routine fire investigation, that he all of a sudden discovers something which is not quite according to the code.

Mr. Wildman: Or the assessor.

Hon. Mr. Bennett: Well, the assessment officer quite often does not pick up the building defaults.

Mr. Breaugh: Sometimes they don't even get out of the car.

Hon. Mr. Bennett: No comment. In the insurance business, you call that a windshield appraisal.

Mr. Breaugh: That is right.

There is one other area I want to touch on a bit. I continue to have problems with people who buy houses that have passed all the building inspections and are covered by the Housing and Urban Development Association of Canada and all that. In my view, it still does not work.

A guy came in to see me a couple of weeks ago-

Hon. Mr. Bennett: What about the one where the piano fell through the floor last year? That is the one I really wanted to hear about.

Mr. Breaugh: Well, here is another one. A guy came in two weeks ago. He had a new house, less than a year old. Three weeks ago, the ceiling fell in. Everybody did what everybody was supposed to do, but the ceiling still fell in.

Is there a review under way of the connections between the Ontario Building Code, the building inspection process and the wonderfulness of the HUDAC warranty system? Is this under review at all, or are we of a mind that it is all working wonderfully well? In my view, it is not.

9 p.m.

Mr. Hodgson: We have an in-house review with the HUDAC home warranty people now, asking "What have you done over the last 10 years? How many builders have you taken to court? How many inspections have you done on a random basis along with the building official?"—to try to upgrade their stick, if you will. "How have you tried to encourage the builders to build in the best way they can, with the best workmanship they can provide?"

There was a recent article about the number of builders who have been taken to court in the last little while. We feel that is a positive result. We think the building regulations governing the structural adequacy of buildings are pretty good. Of course, the municipal inspection system has to be upgraded. There are no two ways about it. It does have to be upgraded and it is going to take some time and money to do this.

There is the three-pronged approach: the regulations, the inspection and the HUDAC home warranty. We have to get them all working, and there is one part of it that is lagging.

Mr. Breaugh: Perhaps the minister could take a shot at that too. Is there a review of HUDAC and how it functions and all that? Quite frankly,

my view would be that this is the end of the system where there is the greatest amount of confusion, where the public at large in some strange way does not read the warranty or is not aware of how this system works. It has been in operation long enough now, however, that one cannot claim this is a new system with some bugs that have to be worked out.

It seems to me the bugs are pretty clear, and the public is assuming when purchasing a new home that because there is a warranty in place and it looks pretty official, somebody is guaranteeing the home is well built and that if there is a problem, as when someone buys a new car, appliance or any other big-ticket item, there is a means of correcting it. It seems to me the process at work here is a little short of being perfect.

Hon. Mr. Bennett: I do not want to be hypercritical of HUDAC, because I must tell you that any time we have had any problems and have consulted with Ernest Assaly, the chairman of the board and director of the new home warranty program, and with other people, they have been very quick to get a report from their field people about exactly what is happening.

Since it reports to the Minister of Consumer and Commercial Relations (Mr. Elgie) and not to me as the Minister of Municipal Affairs and Housing, I cannot tell you about the review. I would be very surprised if there was not an ongoing review, or whatever you wish to call it, of the claims or the regularity of the claims. That is because if there are certain problems, if there is a consistency of that type of offence with you as a contractor under HUDAC's warranty program, they can soon pull your ticket. I would think HUDAC has its own in-house reviews, but I am sure the Ministry of Consumer and Commercial Relations does a review as well.

I must tell you that over the years the HUDAC warranty program has been in place I have had relatively few problems where the actual warranty is applicable. There are some cases, as you know, where the warranty is not applicable, because it does not fall within the program at all.

For instance, I can only guess, never having had the experience, that if the ceiling were to fall, that would usually be caused by some moisture getting into the attic; then all of a sudden, it causes the strapping and everything to let loose. Without knowing the details of it, I am sure that is the type of thing that, if there was faulty workmanship, would come under the warranty program.

Mr. Breagh: I would concur from my experience. When I call HUDAC, the people are

generally very friendly and thorough and all that. I do not think my constituents would give you the same report on whether that system works quite that well.

Somewhere, there still exists a great deal of confusion in the public's mind when buying a home that the municipality did the inspection of the premises. Whether that inspection was adequate or uncovered problems or resolved problems is also a good question.

People do not quite seem to make the leap that you and I do that the municipality's responsibility stops at a certain point, then the HUDAC program picks up with its warranty scheme and this is how it works. People seem somehow not quite clear about when the city of Oshawa, for example, has its responsibilities cease and this group called HUDAC, which they have some difficulty finding in Toronto, begins its process.

Somewhere between your people setting the building code, the municipalities doing the inspection and HUDAC picking up the warranty system, there seems to be a fair amount of slippage. A lot of people I talk to are not aware there is something called HUDAC and that it covers whatever warranty is on the home.

I have a tough time explaining to them that it is not the city of Oshawa inspection people who are the ones to turn to here. These people do not seem to understand the process quite as well as I do.

Hon. Mr. Bennett: It is straightforward. They have only to call the Ministry of Consumer and Commercial Relations.

Mr. Breagh: Oddly enough, in Oshawa that is not a person's first instinct. If he buys a home in Oshawa, he somehow feels there is a connection between city hall in Oshawa and that house. I do not know why.

Hon. Mr. Bennett: I trust if the city got the phone call, it would say very quickly to the person that the people at Consumer and Commercial Relations can give him the information regarding HUDAC, and away he goes.

Mr. Breagh: I wish that were so.

Hon. Mr. Bennett: I have a fair number of new units being built in my riding of Ottawa South and there is no doubt there have been some problems, but they all seem to have been resolved relatively quickly. That does not mean the complaints do not require some degree of certification of the problem or background material on it. I have not been in the insurance business, you know. One does not just take somebody's say-so that there is a claim; an

adjuster goes out to make sure the claim is a legitimate one under the terms of the policy.

The same thing is applicable here. I am not saying it does not work without some difficulties. It likely has the same difficulties to some degree as workers' compensation as to how to make the settlement as much as the person thought he should have got. The same thing is applicable here. I would suggest if you have any specific ones, the people at the HUDAC warranty program have been—

Mr. Breagh: They have even visited me in my home and on my street.

Hon. Mr. Bennett: Did they go to look at the piano, though? That is what I want to know.

Mr. Breagh: She retrieved her piano prior to their arrival.

Hon. Mr. Bennett: What did you have to do? Open up the roof to get a crane in?

Mr. Breagh: She let it fall the rest of the way through the floor.

Hon. Mr. Bennett: Now she is playing the piano in the basement.

Mr. Breagh: That is right.

Hon. Mr. Bennett: That is in the lower bar.

Mr. Epp: I want to pursue that. I recognize it involves the Ministry of Consumer and Commercial Relations, but you recall that last November or December we raised the point in the House with the Minister of Consumer and Commercial Relations (Mr. Elgie) about a number of property owners, 21 in number, in Markham I think.

They had paid \$10,000—two of them had paid \$15,000 because they had one and a half lots—to have homes built and the homes were not built over a year's time. Eventually, because the builder was taking the developer to court, the funds were frozen. Therefore, they never got the money until just before Christmas, when I think cabinet passed a special order in council or something or other, releasing the funds. Then the people got their money so they could go ahead and invest someplace else.

There is an area that really should be looked into. I am sure they can have all kinds of problems. I recognize that it does not come under your ministry, but has any discussion taken place with respect to this?

Hon. Mr. Bennett: That sure does not come under the warranty program, though, because there was nothing to warranty.

Mr. Epp: Yes, HUDAC was involved with that. I forget all the details.

Mr. Hodgson: That is part of the system for protection of deposits.

Mr. Epp: HUDAC said it could not release the money, then eventually the people got an order in council or something like that, to release it. I think it was \$210,000.

Hon. Mr. Bennett: Was it in escrow? I do not recall. I recall the number of units and that people eventually got some problems resolved. I do not recall whether the money was in escrow or where it was, or how it got locked in through HUDAC.

Mr. Epp: It was locked in until there was an order in council that released it. I recognize that aspect of it is not directly under your ministry.

Hon. Mr. Bennett: It is a great old system. Once again we are back to making sure the lawyers are well looked after.

Mr. Epp: And you are not even a lawyer.

Mr. Chairman: You are safe using that routine.

Mr. Breagh: If we had a welfare program for the poor like we have for the lawyers in this province, there would be no poor.

Hon. Mr. Bennett: We do have one for them: legal aid.

Mr. Epp: Eddie Goodman and all the rest.

Hon. Mr. Bennett: All I need is to have my lawyer friends read that in Hansard.

Mr. Chairman: You will no longer have lawyer friends.

Hon. Mr. Bennett: Let it be known there was much laughter.

Mr. Breagh: There goes the old leadership campaign, right there.

Mr. Chairman: Are there any further questions of Mr. Hodgson on this vote? If not, thank you very much, Mr. Hodgson.

Mr. Hodgson: Thank you, Mr. Chairman.

Mr. Breagh: I have one other matter that I would like to raise under this vote. I read with great interest the affirmative action program outlined in the ministry's main office vote, and I think you have somebody here who could outline this.

9:10 p.m.

Hon. Mr. Bennett: Sure. Marilyn Fitzgerald. She even comes from that great community known as Whitby.

Mr. Breagh: Whitby is not much, you know. It is just adjacent to Oshawa.

Hon. Mr. Bennett: Marilyn usually says she comes from down around Oshawa. She says it is

easier to describe than Whitby. I am not sure whether she is right, but, anyway, Marilyn Fitzgerald is here.

Mr. Breagh: Yes, I wonder if you could give us a little outline of the breakdown. Before you start, I want to tell you that I read the briefing notes on this. There is obviously a new vocabulary here that I am missing. I would like to know what it means "to raise and diversify the occupational distribution of women crown employees." Does that mean anybody gets any more money?

Mrs. Fitzgerald: On occasion. If we raise them up, yes, they get more money.

Basically, if you are looking at the explanation for that, we are looking at getting women into higher levels of occupation and making sure they cover all the different types of occupations that are around.

Traditionally, women have been in a very narrow band of occupations. We are looking at getting them into every kind of job within the Ontario public service, from the deputy ministers down to the mail clerks and the technical service people; all those areas where, at present, there is very little representation of women. We want them to be integrated throughout the work force.

Raising the level is obviously bringing in more women and getting more women ready for and into senior management.

Mr. Breagh: Okay, perhaps you could help me a little. Part of what you reported here was that the program includes "monitoring and reporting on competitions in female, under-represented classes, classes with fewer than 30 per cent female representation."

I have a little trouble with the vocabulary here. Could you give me a concrete example of that? How do you monitor that? What do you do with that information when you report on competitions?

Mrs. Fitzgerald: The "underrepresented classes" are any classifications that have less than 30 per cent women.

With regard to monitoring, we do a lot of post-monitoring. We get all the statistics and information from every competition our ministry runs as to how many people applied for that competition, how many were male, how many female, who was marked as qualified or marginally qualified, and so forth. We monitor this to make sure that if there were qualified females they were interviewed and had their fair opportunity.

We also monitor in the sense that on occasion I sit in on competitions and become part of the

selection process. That is sometimes done at the request of a manager in the ministry, for various reasons. It is sometimes done at the request of a female employee who may feel a little uncomfortable; who feels that, for whatever reasons, she wants to make sure she gets a fair shake.

I or one of my staff will sit in on a competition. We monitor them both by physically sitting in on the selection on occasion, when we feel it is necessary, and by post-monitoring to make sure the process has been followed all the way through.

Mr. Breagh: Okay. I have a couple of more specific questions. Let us say you had a competition for a job. Of the 20 applicants, 10 were women and none of them got it, even though they were all qualified. What would you do?

Mrs. Fitzgerald: We would go back and have a discussion with the managers as to why, if they were qualified women, they were not selected as part of the group that would have been interviewed.

Quite frankly, I do not run into that problem. I certainly have not in the last couple of years. We do not have very many opportunities to go back. For the most part, there seems to be an equitable distribution. If there are good, qualified candidates, they are interviewed.

Mr. Breagh: If you had identified, for example, what you call a "female underrepresented class" here—

Mrs. Fitzgerald: There are some 80,000-odd in our ministry.

Mr. Breagh: Okay. Out of those 80,000-odd, how, in a practical way, do women get job advancement? More than just monitoring, is there anything else they have access to? I mean, is your approach essentially that you determine the positions where, theoretically, there should be women and where there are not enough?

You make sure they get the proper interview, and you make sure that you sit in on occasion and monitor in some way the interview sessions. If that does not work, and you monitor the same group over a two-year or three-year period and you do not see much of an improvement there, what do you do?

Mrs. Fitzgerald: Before you actually get to that, there is a system whereby we are working with all the managers within the ministry to encourage them. They have to report to us on opportunities that they provide for their female staff to do some upgrading. We make sure they have the necessary training. One of the other

things we monitor and look at is the staff training budget, what is happening with that and who is getting training. Are the females getting training in the same proportion as they should through the ministry?

There is a system in which there is some very active work going on, prior to any competition, to see that women get opportunities to do some on-the-job training in upgrading and adding to their skills with secondments and rotations. There are various methods of doing that.

There is a very active program to make sure that kind of thing is going on, so that when they get into competitions they are very well qualified and they do perform very well.

Mr. Breagh: Do you have any kind of analysis of how well this has worked? Do you have any hard numbers on that? Could we see some?

Mrs. Fitzgerald: I have numbers on the different kinds of opportunities provided for women. We are developing a tracking system at this point to see what happens after these development and training opportunities are put forward.

That is the sort of tracking system we are trying to put in place now. How successful are candidates after they have had some opportunities for training and upgrading? Are they competing in and winning competitions? I do not have the exact figures at this point.

Mr. Breagh: What I am interested in, once I work my way past the newest jargon in the trade, so to speak, and as soon as I understand the language a little, is whether it really works.

It is a good idea to provide a system where at least we are aware that women should have opportunities for job advancement. I seem to see an indication that at least there is somebody like you responsible for keeping an eye on this stuff, and from this outline and others I have seen in other ministries you appear to have developed a routine which you go through.

What seems to be lacking is that I do not see any hard proof that very much is changing. I am sure the minister will say, "Oh, yes, everything is changing." Aside from his giving me that wonderfully warm assurance, I do not see any hard numbers to show me much difference going on here. That is what I am looking for.

Mrs. Fitzgerald: If you look at the stats from each of the classifications, at one time there were far more underrepresented areas than the 80-some-odd that we have today. If we look at our administrative services category, we are over the 30 per cent, which was the target established.

There are several categories in which we have gone over, so there is movement. We are up to about six or seven per cent, which is not great but is better than it was several years ago with respect to senior management. There is movement on all the classifications. They are going up. There are more and more women in those classifications. I do not have all the figures here, but we have those results.

Mr. Breagh: I wonder if it would be possible to see them. I would be interested.

Mrs. Fitzgerald: Sure, I can get them.

Mr. Breagh: The kind of criterion I am left with, to be a little curt about it, is that I look around the room whenever the minister arrives with his key personnel and it always strikes me that not half of those key people are part of that majority out there.

It is still a minority controlling the key executive positions and that simply may be an indication that there is a time lag here. I would like to see some trend that would tell me that in the foreseeable future I will see women in key positions in the various ministries. I am impressed that most of the ministries have someone who is in charge of an affirmative action program, usually some very bright, literate woman who can present a very good game. What I want to see, though, are some hard numbers which demonstrate that, other than in a committee room of the Legislature we have a program which is actually at work there, that there is some change in the work place.

9:20 p.m.

Mrs. Fitzgerald: I can provide you with figures so you can see where we have increased and where we are building up a lot of good strengths. There are gradual changes coming in the senior ranks.

Mr. Wildman: With the Minister of Natural Resources (Mr. Pope), Mr. Chairman, a member would never be able to carry out that kind of visual analysis of his staff. He does not allow it.

Mr. Breagh: In the 1984-85 program objectives there are a couple I would like to chat about for a moment. "Corporate initiatives include a minimum of 19 accelerated career development initiatives." I take it that means jobs to prepare women for senior management positions and to assist women to move into technology-related jobs.

The second is, "Special ministry initiatives include a minimum of 10 accelerated career development initiatives aimed at raising and diversifying the occupational distribution of

women in the ministry." Could you outline those a little for us? The numbers seem a little low. They are on page 26.

Mrs. Fitzgerald: There are a couple of things that happen. Those are plans that senior people in the ministry, the managers, provide me with in October for the following year. What I have found consistently is that the numbers they have planned for are not extremely high. The numbers they achieve are much higher. That is a factor in human resource planning. It is difficult to put some of those things together. In effect, although the numbers might seem low the actual accomplishment is generally a lot higher. That is something I have found in the couple of years I have been in the job.

What we are talking about here is not new jobs, but secondments to different areas to give persons on-the-job training in another section so they get broader experience in a different area and have a better opportunity to move up when the time comes and jobs are available. They are not actually new jobs in themselves. They are training opportunities more than anything else. They are usually extensive. They can run anywhere from a month, to six months, to a year. They would go in and do in-depth training.

Mr. Breagh: My precise concerns are that when you take what is listed as a program objective for 1984-85 and you flip the page over and look at program results from 1983-84, the numbers for 1984-85 seem rather modest. When you look back at what happened in the program results from 1983-84, they again strike me as being rather modest in nature.

It is not that the idea is not in place and everybody is verbalizing the right kind of words these days. When one looks for some hard evidence that an impact is really being felt within the ministry you could certainly make the argument that something is happening; however, I would have to look at the same set of numbers and say it is not a great deal. It is very slow indeed.

Mrs. Fitzgerald: It might be slow, but it is very firm in terms of what we are doing. A lot of these people will eventually move up. We are very careful in what we count in these numbers. They have to be substantial things in which there is some training that will really build up their experience and credibility so they will have a very good opportunity of moving when the opportunities come.

Some of the numbers are very low because, for instance, we had two of our groups that were reorganizing when they were in the midst of this

planning. It is difficult to plan for this kind of thing when you are planning a whole reorganization. The numbers will come in and be extremely different.

We are looking for some real quality initiatives rather than just a lot of numbers. These people actually do get something that will eventually help them to move on.

Mr. Breagh: To conclude on this little part of it, under the program results for 1983-84 one of the things listed here is, "86 accelerated career development initiatives occurred in 1983-84 for female staff; 14.6 per cent ministry female staff were involved in this program."

The reason I am pursuing this is that I am obviously interested in it, but I am also interested in a phenomenon that seems to be repeating itself in different places where someone has taken the initiative to put in an affirmative action program per se. All the words are right. Someone is appointed to do this, that and the other thing. Yet the results are continually disappointing, to me anyway.

For example, my public school board has an affirmative action program in the Durham region. The chairperson of the board, who happens to be a woman and a very good one at that, expressed publicly some great disappointment that they had taken some initiative and developed a program with targets and goals and all of the other things, but the results were still rather minimal. I am wondering whether something is wrong here.

As you go through most of the ministries you will find that everybody can you give a good line on an affirmative action program. Not very many can do the same on actual hard results where such a program operated within a ministry has really made much of a difference. At the beginning it concerned me that maybe we were verbalizing ourselves to death here and we do not have much to show for what, in some cases, is five or six years' worth of work now.

Mrs. Fitzgerald: I guess the biggest results are in increased representation in the different classifications as they have been moving up and going over a certain percentage. For instance, the community planner segment a few years ago was at the lower levels and now women make up about 37 per cent of community planners.

That is an area where there are a lot of planners coming out of the universities who are female. They are being hired in the proper proportions. They are doing the job and starting to move up through the ranks. It takes time for jobs to

become open. They can only move in proportion to job vacancies at any particular time too.

Yes, it is a slow process, there is no question about that. It is a matter of having enough good, qualified women to apply every time there is a job vacancy. It appears from the statistics we have that women win those competitions in a great many cases but not all, nor should they.

The biggest thing is that where there are good, qualified women coming out of the schools or out of the planning system, we are hiring them. They are moving up the ladder, and those areas are gradually being filled in.

Mr. Breagh: Could I ask where the 30 per cent number comes from?

Hon. Mr. Bennett: We also have the problem in the ministry, as you notice by some of the figures we have given to you, of a declining number of people in the ministry.

Marilyn has worked very aggressively in the field and, as she has said, we have tried to encourage a number of females to participate. As Marilyn also has indicated, we have the problem of trying to work everybody into slots, even though we are reducing the number of slots that are there.

Mr. Breagh: Yes.

Hon. Mr. Bennett: When you talk about 14.6 per cent or 15 per cent of the females who participated in the program, I do not know what is a good record. Not everyone, any more among female than male employees, is interested in going into some competition. I guess it becomes a question about what a good record is.

Mr. Breagh: That is true. If you ran a program where slightly more than 14 per cent of your people participated, my guess would be that by almost anybody's standards I would not be touting it as a great program, whatever it might be. That seems to be an indication that the employees themselves have some doubts about whether it is going to do them much good. That is my concern.

Mrs. Fitzgerald: I think that at any particular time there are only a certain number of people who can utilize some of these programs. There are a lot of things that occur on a day-to-day basis that also add to the process but that we do not put in the statistics. When we say accelerated career development, we are looking at some larger, longer-term developments rather than at some of the smaller advances that go on at any point in the ministry.

9:30 p.m.

Mr. Breagh: Maybe it is simply that we have not been able to figure out how to gather statistics on this. For example, regarding this 14.6 per cent number that is used here, I am not sure I know that we have developed the yardsticks which say to both men and women that if we develop some kind of initiative program that would give you job advancement, what percentage of our employees would take advantage of that. It may be that 14.6 per cent is high; I do not know.

I do not know how many of the men in any work place would be interested in advancement, how many of them are happy with their jobs and feel they are at a level where they just do not want to go any higher. If you ran some kind of an incentive program for retraining, or a special skills program of some sort, perhaps you would not get much more than a 14 per cent turnout among men. Perhaps they are simply not interested. I do not know.

Mrs. Fitzgerald: I guess it is a combination of things: on the one hand, those who are interested, and on the other hand the opportunities that become available. A manager provides as many opportunities as he possibly can, but he cannot necessarily just be providing opportunities for development.

Mr. Church: To clarify a point if I may, Marilyn, I think these accelerated career development opportunities are not simply people deciding that they want to participate. These are compacts entered into between managers and staffs to take what are often fairly substantial actions.

In a climate of constraint, where you probably have a relatively small number of opportunities anyway, I would say that one sixth of your staff is a pretty good measure of commitment. Whether that ultimately results in acceleration is limited very much by the economy. However, speaking as a program manager, that is a pretty active commitment to do something meaningful. Most of these do tend to be fairly meaningful things.

Marilyn does not let us get away with counting a minor change in job description as a statistic. We have to produce something in terms of enrichment.

Mr. Epp: Good.

Mr. Breagh: If I may ask one other little question, where did you come up with the figure of 30 per cent as being under-represented?

Mrs. Fitzgerald: I did not come up with the figure. That figure of 30 per cent is the government policy, and it is a figure that was arrived at four or five years ago. I have to admit I

do not know its exact background. It was a matter of working out something that seemed to be a realistic target we could head for.

One of the things we are finding is that the target is far too low in some areas. When you look at the people who are coming out of the schools, and the background that is there, the administrative area is one area in which we are over that target. That target is a minimum; it is not a maximum. It is a matter of setting something to work at. I do not think it is high enough, and I think the director is looking at it again.

That is set as a government policy. It should perhaps be higher in some fields and lower in others, depending on how many females are going into the fields that are there. Of course, the encouragement of young women, and their career choices, is another ball game.

Mr. Breaugh: One final thing: are you reasonably satisfied that women working in the ministry are getting equal pay for work of equal value?

Mrs. Fitzgerald: That would be a difficult thing to answer. We are certainly getting equal pay for equal work, but there is no way we can do that evaluation between jobs. We have looked at it from that point of view, in terms of evaluating two different sets of jobs. I know there are apparently ways of doing that, but we do not have them in the ministry.

Mr. Breaugh: Would the women who work in the ministry agree that they are getting equal pay for work of equal value? Is there a lot of discontent among the women employed in the ministry that they are not getting paid equally for virtually the same work as men in the same ministry?

Mrs. Fitzgerald: No, I do not find that.

Mr. Breaugh: Then you would generally tend to support those who advocate that the amounts of money paid to women in jobs at this level do not constitute a major argument.

Mrs. Fitzgerald: There is no major argument over the jobs. If you are a community planner, you are a community planner whether you are male or female. You are getting graded and so forth. There is no problem as far as that is concerned.

We have not looked at the concept of evaluating two different sets of jobs to determine equal pay for work of equal value. That is a different ball game.

Mr. Epp: As the spokesperson for the affirmative action program in your ministry, do

you meet on a periodic basis with people in other ministries that have spokespersons for affirmative action?

Mrs. Fitzgerald: Yes. There is an affirmative action council, which is the group of affirmative action program managers from every ministry and agency, and at the present time I am president of the council. So there is a vehicle for us to talk with each other.

Mr. Epp: What usually comes out of these meetings? Do you go back to the ministers and make recommendations to them?

Mrs. Fitzgerald: From the council itself?

Mr. Epp: Yes, from the council itself. Do you meet formally, and do recommendations come out of your meetings?

Mrs. Fitzgerald: We meet monthly. We set up task forces to look at issues that are of common concern with us, issues we think the government possibly should be taking a look at. We do make recommendations, usually to the Civil Service Commission, because they are generally working on personnel policies.

In the case of the directorate, if there are issues we would like to see them investigate even further we put task forces together to do some investigation and then we will make recommendations to the directorate on issues that we feel are of concern.

Mr. Epp: Is part of a grievance procedure in there too? Do you take matters to the Civil Service Commission?

Mrs. Fitzgerald: No; it is strictly a matter of recommendations on issues we have found, looked at, investigated and on which we felt they should be doing certain things.

Mr. Epp: So your direct lobbying is through the Civil Service Commission.

Mrs. Fitzgerald: Generally, yes.

Mr. Epp: And it in turn has some impact, one hopes, on the government itself.

Mrs. Fitzgerald: Yes.

Mr. Epp: Where would it go from there. If the commission wanted to increase the number of people in the affirmative action program, women who were looking for better positions and so forth, how would that work?

Mrs. Fitzgerald: I am not sure I quite understand.

Mr. Epp: How would your recommendations impact on the Civil Service Commission and in turn on the government itself and its policy?

Mrs. Fitzgerald: We have made recommendations on some of the classifications, how

the commission sets them or what it is looking at, for instance, and this generally relates to how all the women in the government are treated.

We have made recommendations asking it to take another look at day care. We have made recommendations, particularly lately, on permanent part-time, that is something we would like to encourage; and as I understand it, the commission is actually working to bring something like that down eventually.

Mr. Epp: But what happens to those recommendations? Once you make those recommendations, do you then evaluate whether they have been acted on? What happens?

Mrs. Fitzgerald: Yes, we monitor them through the commission; the commission generally writes back and lets us know what is going on. On occasion we have repeated recommendations over a period of years, because they have not been acted on and we go back to them again. We follow them up consistently to see what is happening and whether there is anything else we can do to provide any assistance.

Mr. Epp: Are you satisfied, from the standpoint of the women, that this is the best method conceivable whereby you can achieve the aims you would like to achieve?

Mrs. Fitzgerald: It is the one method we have, I think, to take a look at the concerns we have, get them before the government and ask it to act on them.

Mr. Epp: You did not answer my question; I know that is happening now, but I am saying that you as an objective group must have looked at some other methods, and I am asking what other methods you looked at that you thought might be more advisable and might bring greater gains for you. I am asking not from a political standpoint but strictly from an administrative one.

Mrs. Fitzgerald: From an administrative standpoint, we find the council most valuable in learning from each other what methods are effective in trying to work with our employees and with the managers. We learn in that sense, but I do not know that we have considered any other method of changing or doing something with the program.

Mr. Epp: Have you looked at other jurisdictions and the successes they have had and whether you would like to adopt some of those methods or practices?

Mrs. Fitzgerald: At the present time there are very few provinces that have much in the way of affirmative action, as Ontario has.

At present, the federal government is just getting started in a lot of ways in some of the things we are doing. Somebody from the federal government is coming down to ask us what we are doing.

We have not looked at the United States, for whatever reasons, but there are very few other jurisdictions we can ask because we appear to be the leaders in the field.

Mr. Epp: Okay. Thank you.

9:40 p.m.

Mr. Chairman: Are there any further questions on this particular item, affirmative action? If not, are there any questions on other matters under this vote?

Mr. Epp: Under vote 2501, item 7, legal services, can the minister elaborate on the kind of legal services the ministry has? Are those consulting services?

Hon. Mr. Bennett: No, they are all in-house.

Mr. Epp: They are all in-house. Are they within the ministry, or are they with the Ministry of the Attorney General?

Hon. Mr. Bennett: They are all lawyers. Of course, all lawyers in the government come through the Ministry of the Attorney General and are then assigned to us as legal counsel for the ministry.

Do we have any outside legal services?

Mr. Church: Yes, there are a few outside legal services, but the vast majority of the legal services are in-house from the Ministry of the Attorney General.

Mr. Epp: What do you mean by "the vast majority"?

Mr. Church: Virtually all the regular legal consultation is by staff lawyers. There is a variety of case work, often in the community planning area or specialized work such as a lawyer working on some municipal finance issues that are highly specialized. That kind of specialized work, which arises from time to time, is not available and it is not wise to have it as a fixed cost.

Mr. Epp: Is that consulting?

Mr. Church: It may be consulting or it may be strictly as legal advisers carrying a case on behalf of the ministry. In any organization, one wants to keep fixed costs reasonably low and one does not carry a lot of excess talent that is not needed regularly.

What we do is get that talent to go to the Ministry of the Attorney General and say this is what we need. If the Attorney General's ministry

does not have this talent on staff then it gives us clearance to go outside and retain it, but it is a relatively small quantity. I do not have figures immediately on hand, but I know we are not active in a big way at all in that field.

Hon. Mr. Bennett: We were very active in it a couple of years ago when we were doing North Pickering and we paid everybody's bills. It did not matter whether the people were for, against or with the government. Our generosity far surpassed our ability.

Mr. Breagh: It was a short trip.

Hon. Mr. Bennett: Do you mean mileage-wise? Let me tell you, the bills were not short in decimal points.

Mr. Epp: How do you secure these people? Do you tender or go to some law firm and ask lawyers to send in their résumés?

Hon. Mr. Bennett: Those people, at the time—

Mr. Epp: No, pardon me, I mean consulting the specialists, not necessarily in the Pickering case but the others.

Hon. Mr. Bennett: When we get into some things relating to municipalities, I look at some with lawyers I think are experienced as being the best in the business, who have been able to beat us a few times.

Mr. Epp: The ones who beat you get hired.

Hon. Mr. Bennett: Better that I should have them instead of the opposition, and I am referring to whoever is taking us on. I always learn by experience.

Mr. Breagh: The Premier (Mr. Davis) has been doing that for years; he makes the person his press secretary. That is a good technique.

Hon. Mr. Bennett: It is what you call neutralization.

Mr. Epp: Anything more you want to elaborate on, Mr. Church, to give us some ammunition? I just thought I would ask you. I should not think you would have jumped in with both feet, but thanks very much.

Hon. Mr. Bennett: We are always delighted to be able to give full disclosure.

Mr. Epp: Let the record show that we had a guffaw. You have not spoken to the member for Carleton-Grenville (Mr. Sterling) recently.

Mr. Wildman: Can you explain the role of legal services with regard to monitoring of compliance with, say, subdivision agreements?

Hon. Mr. Bennett: Normally speaking we would not be in the subdivision agreement

business, as you know. Basically, that is a municipality's responsibility so we would not have that onerous task.

Mr. Wildman: What about in special situations where you are?

Hon. Mr. Bennett: If we were involved in what I think you are talking about, our job would be to see the subdivision agreement not so much from the legal point of view, it really comes down to inspectors and the other people we call upon in the outside force; we take for granted that the agreement is going to be lived up to.

Mr. Chairman: Any further questions on this vote?

Mr. Epp: Not on that one, but still on the same vote, vote 2501, item 8, audit services. Are those internal services, for the ministry itself?

Hon. Mr. Bennett: Entirely.

Mr. Epp: I recognize that the vote with respect to municipalities is a little further down, but can we just get into that for a moment with respect to audit services for auditing municipalities and so forth? To what extent do you audit those? How frequently do you audit those and what kind of services do you use? Is that all in-house or do you bring in outside consultants?

Mr. Church: You are talking about auditing municipalities here?

Mr. Epp: Yes.

Mr. Church: I know that is a major initiative presently under way under the auspices of Management Board. In the municipal affairs vote, I am sure Mr. Fleming would be prepared to speak to it. I personally am not familiar with it, and it really does not fall into this category. It is part of the program for municipal affairs.

Hon. Mr. Bennett: There are some other things we want to suggest that we are now looking into in the auditing to try to co-ordinate the auditing of a municipal operation. Not only would it relate to Municipal Affairs and Housing, but to the ministries of Transportation and Communications, Community and Social Services and so on.

As you are well aware, one of the complaints we have is, "Why in heaven's name does everybody have to send in an auditor? Can you not have some unification of how you do the auditing?" When we come to it, I think Mr. Fleming will be pleased to get involved in a further elaboration of what we are attempting to do.

It may not be that simple at the start because municipalities have already set themselves up

into divisions, but I think Eric can describe our attempt to you.

Mr. Chairman: Can we hold that, Mr. Epp, until that vote?

Mr. Epp: Yes. Can I raise a question with respect to procedure which is related to this? The last vote deals with municipalities. The first vote is more administrative. The other three votes deal with housing.

Is there any way of allocating a certain amount of time that we can all agree on for the municipal vote? Otherwise, we take up a lot of time; I am not saying it is wasted time in the least, but we take up a lot of time, the first five sessions out of the total number of six, for other votes, then all of a sudden we get to the last vote and there is very little time left for it.

Is there any way we can allocate a certain amount of time for municipal affairs? It is shown as only one vote at the end of vote 2505. In fact, it does take up more of a proportionate part of the—

Hon. Mr. Bennett: Why do we not do this? Can I make an offer to you? We are on vote 2501. We can do vote 2501 and maybe vote 2502. Then tomorrow, if you wish, we can go to vote 2505.

Mr. Wildman: I was going to suggest exactly the same.

Hon. Mr. Bennett: I must be wrong.

Interjections

Mr. Breaugh: Trouble breaks out.

Mr. Epp: I am sorry to be difficult about this, but tomorrow is very difficult. I will not be here tomorrow, so can we leave it for next Tuesday?

Hon. Mr. Bennett: I was only trying to assist you in what you felt was your dilemma.

Mr. Epp: I appreciate the co-operation you are showing, but can we leave it for Tuesday?

Mr. Chairman: Is Tuesday next all right with everybody?

Hon. Mr. Bennett: Ross is not going to be here. Are you shaking your head?

Mr. Epp: But he is not in municipal affairs anyway. It is primarily his colleague who is handling this. If I may respectfully suggest, that probably would not affect you that much anyway.

Mr. Breaugh: Make me an offer.

Mr. Epp: You sound like Al Capone. Could we do that next Tuesday then?

Mr. Chairman: Is next Tuesday all right with everybody?

Mr. Epp: We can start on vote 2505.

Mr. Chairman: For just the one night, or can we—

Mr. Epp: We may need a little more than one night.

Mr. Chairman: We will be open for continuing on Wednesday if necessary.

Hon. Mr. Bennett: Let us put it this way. Let us see where we are. If you are part way through a vote you may want to finish it on Tuesday night, then get on to this and go on with it Wednesday morning of next week. Next week is bad for you, too, is it?

Mr. Epp: No.

Hon. Mr. Bennett: The leadership convention is over by that time so you do not have worry a tinker's damn.

Mr. Epp: The leadership convention will be over. It is just—

Mr. Chairman: Are some people leaving early for Ottawa?

Mr. Epp: No, we have a number of task forces out in the province.

Hon. Mr. Bennett: I hope you keep them out there.

Mr. Epp: It is important we do.

Hon. Mr. Bennett: They are doing us a world of good.

Mr. Chairman: Can we agree that we will go through the votes in proper rotation until next Tuesday night? We will try to delve into the last vote, the municipal affairs vote, on Tuesday night?

Mr. Breaugh: Jump right in.

9:50 p.m.

Mr. Chairman: It sounds like a great idea. Anything further on this particular vote, the administration program?

Vote 2501 agreed to.

On vote 2502, community planning program; item 1, program administration:

Mr. Chairman: Thank you very much, Mr. Church. We shall move now to the vote on the community planning group.

Mr. McClellan: Just before we get to that, in the leadoff I made a request for some statistical and summary information about the Ontario rental construction loan program. I wondered whether you had a chance to get that.

Hon. Mr. Bennett: I have it here somewhere.

Mr. McClellan: I thought you might have.

Hon. Mr. Bennett: I even brought one for 1010 Glen Street, Oshawa.

Mr. Breaugh: Well, now we are cracking.

Hon. Mr. Bennett: Except that it does not tell you a hell of a lot.

Mr. Breaugh: That is normal.

Hon. Mr. Bennett: The Canada Mortgage and Housing Corp., when we started to make our inquiries, as you will see by this, as much as threw up its hands and said it was sold and that is all. They were clear of the problem and the responsibility. We have not been able to secure much other than the same sweet talk you got from them, Mr. Breaugh.

If I may be permitted, Mr. Chairman, I will give this to Mr. Breaugh. The last thing under the Landlord and Tenant Act is that the tenants have recourse through the courts, if they have not been properly advised of the rent increases, according to the legislation.

For Mr. McClellan, we have an Ontario rental construction loan program schedule of completed projects. Just to give a couple of overviews to it, the second-last page shows the number of units now completed as 14,104 units at a total advance cost of \$74,246,425. The number of rent-geared-to-income units we have is 1,029 out of the 14,000. Our maximum position would have been, roughly 2,800 units and we have 1,029.

We still have 500 units under construction. We have not finalized any kind of rent supplement or rent geared to income on those at the moment. You will notice in some cases where we have units built, in places like Alexandria, there was no percentage of units taken because the housing authority in the local area did not require them.

The second downside in the issue is the one I get involved in in my allocation of units to Ottawa this year whereby, if you take rent-geared-to-income units out of the ORCL they had to come out of the allocation. When it comes out of the allocation that is fewer units for building. You know the problem we get into with Ottawa when I get into the allocation of rent geared to income and rent supplements. I get into the argument of, "Why won't you let us build?"

You will notice that in some communities we have taken up close to the maximum percentage, but others have been less than that. That is basically because the housing authorities in those communities did not require them, but there was a requirement for modest rental units in those areas. In other communities, such as Ottawa and so on, we have gone to just about the maximum, I think, in all cases.

Let me now get on with vote 2502.

Mr. Chairman: Yes, please do.

Hon. Mr. Bennett: I have a few brief opening remarks and then I will call on Mr. Fitzpatrick. I should introduce the young lady sitting beside me. She is Anne Beaumont, who is a qualified planner. Anne has been president of the Central Ontario chapter of the Canadian Institute of Planners and also of the Canadian Institute of Planners.

Mr. Epp: Is this part of the affirmative action?

Hon. Mr. Bennett: Yes. I think there are four or five female employees of the ministry here tonight who are in senior positions, which I think is considerably greater than we might have experienced four or five years ago.

The new Planning Act has been in place for just under a year now. Our principle focus on the activities of the new planning wing is to ensure that the provisions of the act are incorporated into the municipal policy framework and operational procedures. The onus is on my ministry to provide direction to municipal government and the development industry, and to other ministries, on the application of the new act to the planning process in Ontario and to ensure a smooth transfer to the new system.

I should say at the outset that the response from municipalities and the development industry has generally has been most favourable. I think a large part of the credit is due to the extensive public consultation program carried out by the ministry before the proclamation of the act and our educational activities in the subsequent months.

I am sure all members can appreciate that the changes introduced in the act will take some time to be completely implemented. For instance, it is still premature to proclaim section 40, which deals with site plan control. We are finalizing a guideline on site plan control and we anticipate municipalities will be ready to accept the new provisions in about one more year.

Liaison with the Association of Municipalities of Ontario has been instrumental in ensuring that the new provisions are applied to municipalities in a sensitive manner. Among the matters reviewed with AMO are the Planning Act guidelines that have been developed for certain parts of the act.

Generally, the act seems to be working well. Members will recall that we acted quickly to introduce an amendment to the act to eliminate one or two minor problems we identified during the initial stage of its implementation.

Mr. Fitzpatrick of the ministry's local planning branch will outline in some detail the

initiatives we are taking continually to monitor the act's effectiveness and he will bring members up to date on the provincial policy statements.

One of the key features of the new Planning Act was my proposal to extend the delegation of my powers to municipalities, regions, counties and cities. After the new act came into effect, all the early delegations to regional municipalities were confirmed or redelegated.

Several regions have also inquired about receiving my authority to approve local official plan documents, but none has made a formal request for this power as yet. The response from other municipalities, however, has not been particularly enthusiastic. Municipalities are still feeling their way with the new act and are not rushing into assuming new responsibilities until they feel comfortable with the new process and the tools.

The cities of Thunder Bay, Kingston and London have initiated discussions with my staff regarding the possible assumption of subdivision approvals. My severance approval new act and are not rushing into assuming new responsibilities until they feel comfortable with the new process and the tools.

The cities of Thunder Bay, Kingston and London have initiated discussions with my staff regarding the possible assumption of subdivision approvals. My severance approval functions have been delegated to local authorities, affecting seven additional northern municipalities and two unorganized townships.

To move away from the new act, members will recall that the last time my ministry's estimates were debated we discussed our package of programs for renewal, improvement and development for community renewal encompassing the Ontario neighbourhood improvement program and the recently introduced commercial area improvement program.

As some members said then, these have traditionally been the ministry's most popular programs with municipalities. I am pleased to report that municipalities continue to view these programs favourably, and we have received requests for funding under them beyond the limits of the allocation. In fact, this year's requests for ONIP funds from 95 municipalities total \$45 million. We have also received requests from 32 municipalities for \$11 million under CAIP.

Before we get into specific questions, I will ask Mr. Fitzpatrick to bring us up to date on the Planning Act matters and, more specifically, the process and provincial policy statements.

Mr. Epp: Is this part of the Hollywood North program they were talking about on CBC last night, which the federal government is going to subsidize to the tune of \$13 million or something of that nature?

Hon. Mr. Bennett: The what?

Mr. Epp: Hollywood North. They were going to start developing all kinds of movies and so forth.

Hon. Mr. Bennett: It must be a hell of a good election ploy for somebody.

Mr. Chairman: It probably falls under Consumer and Commercial Relations, under the new Theatres Act.

Hon. Mr. Bennett: Mind you, the new leader of the Liberal Party, since he was in the movie production business, will be qualified to speak on it.

Mr. Fitzpatrick: Mr. Chairman and members of the committee, before I outline the background and process of producing provincial policy statements which, as you know, are one of the most significant features of the new act, I thought I might spend a few moments bringing you up to date on some of the trends and experiences we have encountered since the new Planning Act came into effect on August 1 of last year.

10 p.m.

I do not think it will be necessary to outline again all of the elements of the new Planning Act, particularly, Mr. Chairman, since it seems like old times with you and other members of the committee here who went around the province and listened to the many submissions on the new act.

Let me just highlight the two main thrusts of the legislation, which are the devolution of more control and responsibility to municipal governments and elected councils and the structuring of the process to ensure adequate opportunity for public involvement in local planning.

Since the act became law, we have been reasonably gratified to see how quickly and readily many municipalities have picked up on many of the new features, such as the new forms of zoning controls that have been provided for specifically in the act.

It has been interesting to observe which elements of the act have worked well for municipalities. We are also trying to identify those elements of the act that may not be working quite so well as we had anticipated. It is with this in mind that we monitor how municipalities are working with the legislation.

To date, a few housekeeping matters have come to our attention. We have tried to resolve these as quickly as possible. For example, as the minister indicated, when the Ontario Municipal Board offered a different interpretation of the process to be used when an official plan amendment or zoning bylaw amendment was received prior to the new act coming into effect, an amendment to the act was passed to clarify the process during the transitional period. That amendment has proved successful. In addition, two minor changes to one of the regulations relating to the Planning Act are currently in preparation.

To stay tuned to how the act is working, ministry staff will meet with municipalities, planning consultants, developers, lawyers, interest groups and other agencies and individuals this summer on an informal basis. These discussions, we hope, will give us some insight into the impact of the changes in the act, even though it has only been in place for a year, as well as its impact on the administration process of the agencies, municipalities and others who must implement the new act.

Since all land use planning activity in the province is guided and directed by this piece of legislation, it is critical that everyone understands how it works. One major element of the legislation involves the role of provincial policy statements, and that is what I would like to turn to now.

As I am sure you know, municipalities have long called for a clearer indication of provincial policies in matters affecting community planning at the local level. It was certainly one of the things that was said to the community planning review and to the standing committee in the hearings that were held on the legislation.

Planning, by its nature, involves the resolution of conflicts between competing demands for land and resources. A municipality therefore must be aware of the objectives of other levels of government in order to establish a firm basis for its own policies. In an effort to respond to this need, the new Planning Act outlines a process for doing this by way of provincial policy statements. These statements provide a vehicle for the province to set down objectives on matters of planning that apply beyond any one individual municipality.

Once these policies have been approved by cabinet, a municipality must have regard to such concerns when deciding on zoning or official plan matters. At the same time, the Ontario Municipal Board and other provincial ministries

and agencies are also required by the legislation to have regard to such statements in carrying out their own responsibilities.

Depending on the nature of the particular provincial concern, policy statements may be initiated by the Minister of Municipal Affairs and Housing alone or jointly with other ministers whose responsibilities affect local planning.

The Planning Act requires that before being approved, a copy of the proposed statement must be circulated for comment to the agencies or person that are felt to be affected by it. This will enable the province to explain the reasons for a particular policy and, in return, to receive any comments or concerns about its content.

When finalized, the statements, as I have said, will be approved by cabinet. They will then be published in the Ontario Gazette and distributed to municipalities and others that have an interest in the matter.

Work is currently under way on a number of statements dealing with matters that have been identified as being of provincial significance. These include mineral aggregate resources, food land preservation, flood plain management and environmental issues such as aircraft and free-way noise.

With respect to mineral aggregates, ministry staff have been working closely with the Ministry of Natural Resources to transform the mineral aggregate resource planning policy, endorsed by cabinet in December 1982, into a policy statement under the new act.

The draft policy was circulated to all municipalities in the province earlier this year, as well as to the Association of Municipalities of Ontario, and many other groups such as the Aggregate Producers Association of Ontario, the Foundation of Aggregate Studies and the Ontario Federation of Agriculture.

We have received about 113 responses. The two ministries have been evaluating these. While there is widespread support for the statement, some concerns have been raised. The main concerns seem to relate to the need to clarify in detail how the actual planning documents, the official plan and the zoning bylaw can be used to implement the mineral aggregate policy.

In an attempt to resolve this concern, staff of the two ministries have been working on revisions to the proposed statement. I think it is mainly on the language. We want to be careful not to have words such as "comply with the statement" when the legislation is only charging municipalities and other bodies to have regard for it.

I think in the discussion that took place before this committee two years ago it was evident there needed to be that flexibility in policy statements to make them work at all. We are hopeful we will receive the revisions from our colleagues in the Ministry of Natural Resources in the near future.

The food land preservation policy is also being developed at the present time. It is really based, not surprisingly, on the existing food land guidelines. That policy was released as a statement of the government's policy in 1978. We are working with the Ministry of Agriculture and Food on revisions to that policy in an attempt to come up with a policy statement under the Planning Act. We are hoping to be in a position to circulate a draft policy statement for discussion in the next few months.

The third potential statement deals with flood plain management. Related to this is the review and assessment of the recently published report of the flood plain review committee, chaired by the member for Prince Edward-Lennox (Mr. J. A. Taylor) and constituted by the Minister of Natural Resources (Mr. Pope).

This matter is being dealt with as a priority, and our ministry will be working very closely with the Ministry of Natural Resources to develop a statement that will reflect the interest and the very obvious concerns of the public, as well as the government.

Work on other policy statements will also continue. For example, with respect to noise abatement, we are working with the Ministry of the Environment to develop a policy statement that best reflects provincial concerns in a realistic way.

Our two ministries are currently discussing whether we should look at these concerns in a single statement, for example on the comprehensive issue of land use compatibility, or whether we should have separate statements dealing with aircraft, freeway and railway noise, as well as waste management. I should stress that in either case, the public consultation process we have gone through with the aggregate statement will be undertaken to ensure that public interests are taken into account.

Since the Planning Act came into effect, we have also produced a series of eight short guidelines—and I stress the word “short”—on various aspects of the new act. Our purpose is to try to explain in simple, nonlegal language the principles behind many of the provisions of the new act, because there are some substantial changes. We have intended these for use by municipalities, consultants, the development

industry and the public involved in the planning process.

10:10 p.m.

We are still trying to identify issues that will be the subject of future guidelines. To date, we have given these guidelines wide distribution and the response has been positive as to their value and benefit.

The guidelines so far cover such topics as planning advisory committees, which as you know from your awareness of the new act replace planning boards in the old system; local planning in northern Ontario; the delegation of the minister's authority; community improvement; working with the new regulations; official plan policies on public notice; planning application fees; and, the latest one, a specific guideline dealing with zoning and the other types of land use controls in the new act.

Other guidelines we have in the works will cover the scope and content of official plans—there is a new definition of what a plan is in the new act—property standards and site plan control, a matter we are discussing with the Association of Municipalities of Ontario in two days' time; we have been working on the latter guideline.

Again, the subjects of these guidelines will be identified either through municipal requests or through internal identification of needs, based on experience in approving planning documents and a perception of where there seems to be a need for something to help municipalities interpret the new act.

Of these eight guidelines, we have translated four into French, and work is under way to translate the rest. The act itself is also in the process of being translated. That is a more complex process in terms of the language and the terminology.

Mr. Chairman, I have two additional, very short items. With your permission, I will just cover those as well, because I think they may be of interest to you.

Mr. Chairman: Please do.

Mr. Fitzpatrick: The first deals with road closings, and the second with a possible amendment to the Planning Act.

Let me deal first, very briefly, with revised procedures to close unopened lakeshore road allowances. Original township surveys normally provided for a 66-foot road allowance around most inland lakes in Ontario. The intent of that was to ensure that loggers and others who use the lakes would have access to the shoreline. These allowances were granted to the crown to ensure their availability to the public.

Over the years, most of these original road allowances were never developed for purposes of actual road access. In many cases, of course, the terrain was too rocky or flood-prone. Roads to provide access along the waterways were often constructed in locations other than the original surveys. Today, many of these road allowances are indistinguishable from cottage properties. In fact, some cottages have actually inadvertently been built on these allowances.

In keeping with our general thrust to free the province from matters that are really of local concern, first reading was given on May 8 to an amendment to the Municipal Act. If passed, it will enable local municipal councils to finalize bylaws to close unopened—stressing the “unopened”—public roads on shorelines or leading to water.

Up until now, such closings have required provincial approval by this ministry to protect our concern for the preservation of public access to Ontario's waterways. In deregulating the current procedures, we are proposing to ensure that the public is protected by providing for adequate prior notice to affected land owners and other levels of government. In effect, the process is very similar to achieving a change in a zoning bylaw.

Furthermore, no road is to be closed if it would deprive anyone of access to his property or place of residence. That is a first principle. Finally, referral of disputed road closings will be sent to the Ontario Municipal Board to ensure that a public hearing takes place when necessary.

On the last point, we are proposing to introduce an amendment to the new Planning Act concerning the validation of title.

Section 56 of the act currently permits property titles to be considered for validation only if the contravention of the act took place prior to March 19, 1973. Title to any property is invalid if the land was conveyed in contravention of the Planning Act.

However, section 56, which was carried over from the former act, provides some relief by permitting the minister, by order, to validate title in some instances. The present section 56 was enacted to allow the tidying up, as much as possible, of the results of several schemes that were developed in the late 1960s and early 1970s deliberately to circumvent the Planning Act. I am sure you are aware that the most infamous of them was the checkerboarding in the Peterborough area in the area known as Whiterock Estates.

Through the validation provisions of the act, the innocent victims of such schemes have been assisted when at all possible. Because the Planning Act is occasionally inadvertently contravened, and sometimes it is a relic of those earlier checkerboarding schemes, it has been felt appropriate simply to remove that date so that the same process can be applied to these inadvertent contraventions that may have taken place after that date.

Hon. Mr. Bennett: To add a point on that last one for the members of the committee, the final approval would have to come from the ministry; that is, on that *voir dire* in section 56. We are trying to extend it to overcome some of the legal difficulties, because the legal profession has been in—I am sure most of you have heard from them—and it becomes a nightmare. The legal people are really betwixt and between as to how far they go to secure what they consider to be an absolutely clear title to the land.

We have worked with the Ministry of Consumer and Commercial Relations for some period of time on other ways to accomplish giving clear title without the purchaser incurring fantastic legal bills. The system we have come up with seems to be to some extent to the satisfaction of the legal profession, although not completely. It can be carried out. Even with the municipality moving to make the land comply with the Planning Act, the fact is the final approval comes from the ministry so we do not find some shenanigans, for lack of a better word, taking place.

The other one Mr. Fitzpatrick spoke about, the right of way around the lakes, has been for most of us a true pain in the neck. We hope what we are proposing will synchronize the process for the applicants and the municipality to close road allowances but keep final approval within the ministry—we will again have the overview of the situation so that no attempt to close roadways that are public access to a lake will happen without any public awareness.

Cottagers in a particular area who have used a certain right of way to get to the lake would be somewhat upset if they came back in the spring and found that the road allowance had been closed by the municipality. The ministry has that overriding review, or whatever you wish to call it, so that we can protect what we consider to be the public interest.

Mr. Fitzpatrick: We might remind the members that under that provision, if we have an objection in the circulation of that bylaw, the bylaw dies right there. It proceeds no further.

Mr. Chairman: Just one objection would do it?

Mr. Fitzpatrick: Yes.

Mr. Epp: I have a few questions. When we are talking about policy statements, when do they come into effect? Is it when they are being circulated or do you circulate them and then find whether there is any reaction to them? Do you have different timings on it? Can you elaborate on that?

Hon. Mr. Bennett: Policy statements would definitely be circulated and they would be checked out with the Association of Municipalities of Ontario. That does not mean to say that everything that would be suggested by some people would be included in the policy paper.

Mr. Epp: I do not mean that.

Hon. Mr. Bennett: They would have an opportunity to see what the policy papers encompass. The first two will deal with agricultural land and aggregate deposits. I believe there will be a third that will likely deal with wetlands.

From what we can determine at the moment, I do not expect there will be more than a dozen policy statements on the Planning Act, even with the most extreme situation. Eventually they will get in place and they will be there as a very definite direction.

10:20 p.m.

Mr. Epp: As a rule, the policy of the government will be to circulate policy statements when they are put into law, so to speak.

Mr. Fitzpatrick: That is required by the act. Before a statement can be effected, it is circulated to whoever the minister feels is affected by it for discussion. That is exactly the process we went through on the aggregate statement earlier this year, as required by the act.

Mr. Epp: Mr. Fitzpatrick, I forget, is there a minimum time limit, such as 30 days or something?

Mr. Fitzpatrick: No, there is not. We allowed several months for the aggregate one and I think we will for the next one. We hope to issue the first two statements together so we can convey the message that the policy is, in fact, a balancing of interests and in some cases one interest may take precedence over another. To issue one alone might convey the message that one interest is more significant than another. Our hope is to issue the first two at the same time, so we can convey very clearly the message that the evaluation and the use of provincial policy is very much a balancing of things.

Mr. Epp: When we are talking about the severance of land through wills, and I presume that comes under this vote, you will recall we had some discussion of that during the Planning Act discussions.

Hon. Mr. Bennett: Without reading the act, that is a pretty desperate way of doing it.

Mr. Epp: It is a desperate way of doing it, but has it been invoked since the Planning Act came in? It has been used for a number of years and I wonder about the number of instances where it may have come into effect.

I remember somebody saying to me a few years ago he was not able to get a severance. He was in his 60s and he was going to put it in his will and he was going to get it that way. I thought, damn it, we were going to change that in the Planning Act, but for good reasons we did not change it. I am not going to rejudge whether that was the right decision; the fact is we did leave it in, and people can still do it. Has it been used, to the best of your knowledge?

Mr. Fitzpatrick: We have heard of one or two cases but I do not think any more than we were aware of when it was debated by this committee. I do not think it has become a significant issue. Certainly the Association of Municipalities of Ontario would still like to proceed with that amendment, but we have not identified it as an issue at this time.

Mr. Epp: So there has not been any rethinking of the issue of whether there should be an amendment to the act.

Mr. Fitzpatrick: Not until it seems to be identified as a major concern, and at this point we have not been able to identify it as that. It does not seem to be something that is widely known. Perhaps I should thank heaven.

Mrs. Beaumont: Since the act was enacted we have had a series of meetings with municipal planners around the province on a regular basis. One of the topics we have always put on the agenda at these meetings has been the new act, how it is working, are there any problems, anticipated or unanticipated, with it.

As Mr. Fitzpatrick said, at the time the act was being developed a number of questions were raised about wills, but that issue has dropped out of sight. I am not aware of any instance since the act was enacted that has been brought to our attention as causing a problem.

Mr. Epp: I do not have any more questions for Mr. Fitzpatrick, but I have some statistics I would like to question the minister on with

respect to this vote. I wonder if this is the time to do it.

Mr. Chairman: Are there any further questions of Mr. Fitzpatrick?

Mr. Breagh: I have a couple of things related to that but it is late in the evening to start on them.

Mr. Chairman: Mr. Epp could continue and finish tomorrow.

Mr. Epp: I am not sure whether it is even worth getting into it at this time. Do you expect to finish this vote tomorrow?

Mr. Chairman: I think so.

Mr. Breagh: It does not matter to me. I would be quite happy, if Mr. Epp cannot be here tomorrow, to put some proviso in that if he wants to raise a matter that comes under this vote and we have gone past the vote, we will allow him to put his questions. That is only fair.

Mr. Chairman: That should be agreeable to everyone.

Mr. Epp: I would prefer not to get into this. We are just going to get into it and then we are going to be cut off.

Mr. Chairman: Does anybody have any short questions?

Mr. Breagh: Why do you not see 10:30 of the clock and get us out of here?

Mr. Chairman: I noticed it was 10:30.

Mr. Breagh: I thought you would. I checked out your eyesight earlier and it was 20-20 vision.

Mr. Chairman: That being the case, we will adjourn until tomorrow morning at 10 o'clock, in this room.

The committee adjourned at 10:26 p.m.

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McClellan, R. A. (Bellwoods NDP)

From the Ministry of Municipal Affairs and Housing:

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Church, G., Executive Director, Corporate Resources Management

Fitzgerald, M., Manager, Affirmative Action Program

Fitzpatrick, G. W., Manager, Policy Section, Local Planning Policy Branch

Hodgson, D., Director, Building Code Branch

Temple, J. A., Director, Human Resources Branch



Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament

Wednesday, June 13, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 13, 1984

The committee met at 10:12 a.m. in room 151.

ESTIMATES, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (continued)

Mr. Chairman: Members of Mr. Bennett's staff, we are ready to continue our estimates of the Ministry of Municipal Affairs and Housing. We were on community planning last night. We were at the stage of welcoming any questions to the minister or his staff.

Mr. Breagh: We are running into a little bit of a problem, and I was wondering if I could get some agreement on when to do certain things.

My housing critic has a few scheduling problems, the upshot of which is that he can do the housing votes on Tuesday evening of next week. We had moved to accommodate Mr. Epp, who cannot be here this morning. I wonder if we can accommodate a similar move so that we could do the housing votes on Tuesday evening.

I am not aware that there are any problems doing municipal affairs on Wednesday morning or Thursday night of next week. Would that be an agreeable thing to put into practice?

Mr. Chairman: I know Mr. Epp told us he was not available today, but I think he said he was available Tuesday and Wednesday or any time next week.

Mr. Breagh: If we can proceed on that basis, unless we come up with a big problem, we can probably accommodate everybody.

John, do you know of any difficulty with that?

Mr. Sweeney: No, I am not aware of any problems.

Mr. Chairman: If we run into a problem we can discuss it informally between now and then.

Mr. Breagh: A deal will be struck.

Mr. Chairman: That is right. We will go with housing next Tuesday evening.

Hon. Mr. Bennett: That is community housing, vote 2504.

Mr. Chairman: Then municipal affairs next Wednesday morning.

Hon. Mr. Bennett: Vote 2505 on Wednesday morning.

Mr. Breagh: I think we could take a good shot at getting through the other two votes this morning. How about that?

Hon. Mr. Bennett: Which one are we on now?

Mr. Chairman: Vote 2502, community planning.

Mr. Breagh: How is that for a deal? The member for Sudbury East (Mr. Martel) could not do better.

Hon. Mr. Bennett: Does that satisfy everyone?

Mr. Breagh: I do not know if I would go that far.

On vote 2502, community planning program:

Mr. Chairman: Are there any questions or concerns on planning?

Mr. Breagh: We were discussing a couple of things last night. I mentioned in my initial remarks the proposals around flood plain controls and the shifting of that jurisdiction from conservation authorities to local planning authorities.

It was mentioned last night in the presentation as one of the provincial policy papers which had been put out. I am interested to know how this process is going to work. When might we anticipate that conservation authorities, if this is to be carried through, will not be in the foreseeable future making decisions around flood plains and that local planning committees might take on that responsibility? Could somebody fill us in on where that is?

Hon. Mr. Bennett: Where are my notes?

Mr. Breagh: This was in the discussion paper on flood plain management in January or February. One of their recommendations was to remove the control of flood plains from a planning perspective from conservation authorities that now say yes or no to those matters and to put it over into the normal planning structure. I would be interested in seeing if we could find somebody who knows something about that.

Mr. Farrow: Mr. Chairman, the member has said something that should be discussed with the Ministry of Natural Resources. That is a discussion paper. Until it is changed, it is business as usual as far as we are concerned.

Right now, we get our comments on flood plain areas from the conservation authorities and nothing has changed. It was the recommendation

of the committee, but it still has some distance to go before it will be implemented.

Mr. Breagh: Do we have any idea of the status of it?

It is a discussion paper of sorts, and I suppose it could be interpreted as being a statement of provincial policy in some way. I am unclear about the status of that. Is that the official position taken by the Ministry of Natural Resources as of now?

Mr. Farrow: It is my understanding that is not the position of the Ministry of Natural Resources. That is a recommendation to the government through the Ministry of Natural Resources.

Mr. Breagh: What would be the process from this point on?

Mr. Farrow: I cannot tell you whether there is going to be a process similar to that on the policy statements that you saw the information on last night or whether it will be going into the Ministry of Natural Resources to be handled through that ministry specifically. As I mentioned earlier, it is that ministry that is dealing with this, not this ministry.

As far as we are concerned, we are still processing official plan subdivisions and all of those things dealing with the conservation authorities and the Ministry of Natural Resources in the normal manner.

Mr. Breagh: My version of how we would proceed from here is that the report will be made public and the Ministry of Natural Resources will then take that to its bosom, so to speak, and at some point will release a policy paper. Is that it?

Mr. Farrow: That would seem to be the way it will happen.

Mr. Breagh: If the Ministry of Natural Resources says, "Yes, this is a good idea and we will take flood plain management out of the hands of local conservation authorities and issue a policy paper," what then has to happen to make that sequence flow? What is your version of the sequence of events that would make that occur?

Mr. Farrow: If it were to be a policy statement under the Planning Act it would be put together, sent out to all municipalities, conservation authorities and other agencies involved with flood plain management and then it would come back in and be put through the cabinet.

As I mentioned last evening, Gerry Fitzpatrick gave an outline of how policy statements are going to be made public. Public input is gathered and a decision made.

Mr. Breagh: Do you have any concept of time on this?

In a technical sense, there really would be no changes required in the Planning Act, would there?

Mr. Farrow: We are still dealing with the conservation authorities, and in some cases the Ministry of Natural Resources where there are no conservation authorities and the municipalities. We get comments on flood plain and use of land adjacent to rivers, streams and lakes from both agencies.

The Planning Act would still require that we get the comments. If there was no conservation authority, which is not proposed in that paper, we would presumably get it directly from the municipality, but it would be the same process that we go through. It would be another agency that might have a commenting power.

10:20 a.m.

On the other hand, it could be that even if conservation authorities stay in effect but have a different role, as is proposed in that paper, we would still ask the conservation authorities for their recommendations. The difference proposed in that paper was that the conservation authority would be in a recommending position rather than in a decision-making position when it came to cut and fill bylaws.

It really would make no difference with regard to the planning we do and which local municipalities do, except that the local municipality would have the ultimate decision about which areas were flood plains and which areas would be cut and fill regulation.

Mr. Breagh: It is conceivable, if for example the Ministry of Natural Resources decided to issue a provincial policy paper, this transfer would occur in rather short order.

People seeking a building permit or rezoning or something in an area of some concern to a conservation authority would then go through the municipal planning process as opposed to approaching a conservation authority for their approval. Is that right?

Mr. Farrow: I do not really think it is one or the other. The local planning authority has always had the land use control.

Mr. Breagh: Yes. We want to get really straight about this. Technically, it is my understanding that it is a planning function and that the approval is a planning approval. The reality is that if the conservation authority says no, you are not going to get it. They have kind of emerged as being a local agency which can effectively block a plan for a building permit, for example.

Mr. Farrow: They have cut and fill regulations that they can put into certain areas and say that within these areas they do not want anything to take place. Notwithstanding what the local zoning bylaw may say, land use control can say it is zoned residential, but because it is below a certain level and subject to flooding, the conservation authorities' regulations, as I understand, supersede these.

Mr. Breaugh: Yes. For example, when I was on the Central Lake Ontario Conservation Authority, a big push was made to do flood plain mapping. Up until that time there was a bit of a judgement call to be made as to whether something was within the flood plain. As soon as the mapping was done, a definitive line was drawn.

Really, there was not much of a decision to be made any more. You just get out the map. If the guy's property is in the flood plain, too bad. Subsequently, it seems to have softened up somewhat.

I hear of conservation authorities saying you can put a structure on something in a flood plain as long as you can remove it; which is to say if you have a trailer and you can hook a truck up to it and pull it out, that is okay. You can start up a car lot, for example, as they have in my municipality.

Mr. Wildman: You should acquire amphibious vehicles.

Mr. Breaugh: If you put it on cement blocks or something and make it a permanent structure, you cannot get approval. As someone who sat in the conservation authority, all this is very important to me and makes a certain amount of sense, I am afraid to say.

The difficulty is that the population out there says: "Why can't I build a car lot in this particular area of town? Across the road from me is the town's biggest Chevy dealer and behind me is one of the city's largest shopping centres and a brewer's retail store, a Pop Shoppe and all of that. How did all these other people get to build permanent structures, when I have to do my business out of a trailer?" They fail to see the logic in all this. Try as I might, I have had some difficulty convincing them that there is any.

It seems to me that you might have more success if the normal planning process was at work. Conservation authorities are not structured to deal with planning matters. That is not a major concern of theirs.

You go to a committee of the conservation authority. You can appeal to the whole authority. You can do a kind of mysterious appeal process

right through to the Ministry of Natural Resources, a process which no one, in my experience, really understands. But most people do not even know what the game is. There is a need to make some movement there. I think many of us are caught on our principles, that there is a need to protect flood plains and there is a need to protect citizens against self-imposed disasters.

We do not have a good solution, and it continues to be a very aggravating source of concern to a number of people. The question has been raised in many parts of Ontario that the flood plain mapping had better be pretty accurate stuff. I personally am not convinced. I think it is a reasonable yardstick, but I am not convinced it is a precise science as yet. However, that is the basis upon which someone gets planning approval to do something.

Mr. Farrow: I think what we are trying to do now and have been doing for some time, in dealing with Natural Resources and the conservation authorities, is to come with something, as you are saying, that allows a little reasonableness and logic to be built in based on mapping, on local experience and on topography.

For some time now we have understood there is flooding and there is a floodway. We can use the two-stage system, which the report does not recommend be continued, but it allows most of what goes on in the two-stage system.

The floodway, where one is going to get a lot of water going through and anything in that area could cause a dam and back the stuff up for a long way, is an area you should not allow anything to go in, basically.

There are some exceptions where there is an existing town built in the valley. If somebody wants to add on or do some rebuilding of a structure there these are things that are difficult. I do not think you can predetermine all those in any given policy statement.

There are also an awful lot of areas that are covered by water. In the Chatham area, if the Thames goes over you can have places that may be covered by two, three, four or five inches of water. Some are covered by much more than that, but there are areas that are covered by only a few inches of water. Putting a structure in there is not going to hurt anything except perhaps the structure if the water gets into it.

One of the things we have talked about is that in certain of these flood fringe areas that may have some waters starting theoretically at nothing and going to perhaps many feet—and I know of many cases where it may be only a matter of

two, three, four or five inches—one can flood-proof a building there quite easily.

For the amount of flood storage that you are removing by allowing a building that may have a step one foot above whatever this mapping line requires, you are taking out literally a few gallons of water by allowing that building in there. This is what we have attempted to do, and there are some areas where you can put buildings, but they are subject to "flooding."

When you get into some of these areas, where you speak of shopping centres and car lots, again, the major thrust of this report was the regional flood, Hurricane Hazel, Timmins or the 100 years, which is really the major part of that report. Regardless of who administers it—conservation authorities, local municipalities, Natural Resources or whoever—that is the major part of the report and, I think, the significant part, which is going to make it more liveable for many of these people dealing in these areas.

Mr. Breagh: What is confusing to the public, I am sure, and what causes me some problems in trying to explain this is that in the little area I referred to a couple of minutes ago, right across the road from this guy's car lot, the Ministry of Revenue moved into town. They did not have enough parking spaces, so the city of Oshawa, magnificent as always, responded and said, "We will build you a new parking garage." This guy cannot get a—

Hon. Mr. Bennett: Who paid for it?

Mr. Breagh: Do not ask that question.

The city of Oshawa constructed this huge parking structure and got approval for it from the local conservation authority. It also did some kind of floodproofing, a lot of work around the embankment of the creek and all that. This guy is sitting across the road asking: "How is it that a little guy like me running a car lot cannot get the conservation authority to let me put a little office structure in a flood plain, but when the city of Oshawa wants to build this big parking garage for provincial employees, it can happen? I do not understand this at all."

I tried to explain that it was a condition of approval of building and all that they had to do was make certain improvements to the creek and that it improved the flow. He said: "Yes, that is great. On that side of the street it solves the problem. It dumps more water over on my side of the street. Why can they get it and I cannot?"

10:30 a.m.

I think what they have identified here is that there are at least two sets of rules at work

according to who is applying for the approval to build. The other local phenomenon that we had was a school for crippled children that was in a flood plain and had been there before anybody even talked about flood plains. It was stopped from constructing a new facility by the Ministry of Natural Resources and by the local conservation authority.

They subsequently moved up to the top of the hill. After a fund-raising program and grants from this, that and the other level of government, they have a brand-new school. Then people in Oshawa watched a demolition team move in and tear down a perfectly acceptable building. I am not sure we have been successful in convincing the public at large this is all sanity.

Mr. Farrow: Mr. Breagh, you are on the conservation authority. You know that across the street can make quite a difference. I am not suggesting they are not the same, the car lot and where Revenue built their parking lot. It can be so easy a little bit closer to the floodway, a little bit closer to this, a foot or so of elevation that does not show up much in the public eye when they look from one side of the street to the other. I think the Central Lake Ontario Conservation Authority has been, and you were on it, a pretty strict authority.

Mr. Breagh: A tough bunch.

Mr. Farrow: Right.

Mr. Breagh: They turned down a little old lady who wanted to build wheelchair access to her house. That was when I was on it. Now that is mean.

Hon. Mr. Bennett: They thought there was a water ramp.

Mr. Breagh: Even you would not be that mean, Claude.

Hon. Mr. Bennett: No, that is for sure.

Mr. Farrow: I must admit it is a very strict authority.

Mr. Breagh: From my point of view, the major problem is that people do have a vague understanding of the planning process—there is provision for local hearings, and it makes some sense to them to have to go before their local council to get approval because everybody else does and that is a measure of fairness—but they do not understand why they have to go to something they may never have heard of, such as the conservation authority.

When they are finished with that, they say: "There has to be some fairness. There must be an appeal system in here." Someone then tries to explain the appeal system in the Ministry of

Natural Resources; which is virtually inexplicable, I might say.

Mr. Farrow: One of the things we have been quite successful in doing is having these matters built into all the official plans approved in the last two or three years. While the conservation authority, through whatever method, had control over certain land, we virtually now never get a situation where the local municipal plan—I am talking about a new plan—would say, “You can do this;” and the conservation authority would come in and say, “No, you cannot.”

Mr. Breagh: That is right.

Mr. Farrow: We try to make the municipal official plan the overall document, the one window, whatever terminology you want. If people come down they can see from the official plan what they can or cannot do. This is why we have had a lot of dealings in the past few years on this flood fringe area, to try to come up with areas where people know they can do things “subject to.” It has to be certain areas that need work done, but they can do it provided they meet the conservation authority requirements. We do not necessarily spell out the requirements, but they know there will be a “yes” provided they do something.

In other areas, there is a “no” right from the beginning. People do not have to worry about the conservation authority saying “no.” They have the local municipal official plan approved by the province or region saying, “No, you cannot do certain things in here.” In other areas it says, “Yes, subject to what the conservation authority may ask you to do.” It may cost a few dollars to floodproof, as you mentioned, to put a little bit of a berm around the building or to do various things. They do not necessarily know in advance how much that may cost, but they know they will be able to do something.

In this way we try to get away from the point you mentioned of people understanding the planning situation and the planning system and going to public meetings. There are older official plans still in effect that show people’s land as residential. This is what we heard from the Niagara Peninsula flood plain fighters. In many cases they were allowed to do certain things on their lands under the local planning controls—they had gone through the process, maybe to the OMB, etc.—but when they got before the conservation authority or came in for their permit, they were told: “No, I am sorry, you are below a certain level and therefore you cannot do it. We have had flood plain mapping done. You are within it and you are out of luck.”

We are trying to avoid that situation in all new official plans and any updates of official plans, secondary plans or whatever by making sure that all those requirements are built into the plan right at the beginning. That is why this new report—the proposal, the recommendations that come out—is going to be really important for the planning document. There is quite a difference between the 100-year storm and the regional storm that exists in various places.

Mr. Breagh: There sure is.

Mr. Farrow: We want to make sure that the land on the official plans, whether they are implemented by the municipality or by the conservation authority directly, is designated in such a manner that they know, by looking at the official plan and subsequently the zoning bylaw, what they can or cannot do.

Mr. Breagh: There are a couple of other planning matters that are rather similar in nature. I think the problem is essentially that other ministries have the first shot at this, and it creates a bit of a problem.

For example, the Ministry of Revenue has recently changed its assessment classification so that what used to be a kind of tax break—I guess that is the best thing to call it—for having wetlands on your property has been somewhat altered and removed.

Many of us are familiar with that. If someone had property that was a swamp or wetland—particularly adjacent to an urban area—there was no real threat because you were not being charged very much in the way of assessment on the property. You just left it as it was.

However, that little change in the assessment process which says you do not get that break any more, means you are going to be paying fairly high taxes on wetlands that you cannot farm and you cannot even propose as being suitable for development.

Some of us share a fear that you will have made the financial difference. Somebody will drain those wetlands, for example, or fill them in an effort to get them into farm production.

In my area, I suppose the controversy most likely to come to mind would concern an area called the Second Marsh, which we have been attempting to try to preserve for some time. A few folks in Toronto would very much like to see it developed into industrial land. They would like to dump a lot of fill there to create some industrial use—probably storage, because, realistically, not much else can happen.

I am sure that in the foreseeable future they are going to argue: “Wait a minute. While this was

all taxed at a very low rate we might have been prepared to accept that these were wetlands, but if you are going to tax us at the higher rate, you have to give us a higher use for that land. That means filling in the wetlands." From their perspective, from a business perspective, this probably does make some sense.

From the perspective of those of us who think wetlands are worth preserving, even though they are just swamp to many people, some of us have a feeling that wetlands are disappearing, especially around urban areas. The day when kids could go out to see what happens in a wetland area is liable to become extinct if we do not offer some measure of protection to it.

I would like to hear from the minister, or perhaps from you, Milt, exactly how this one is going to get resolved. It does strike me that developers will be on to this issue quickly.

As soon as they get their first tax notice, as soon as they find out they are going to be paying more tax money, they are going to turn around to engineers and say: "Listen, this is going to turn the corner on this. Tell me how much money it is going to cost me to get that land into a state where we can put something on it, sell it as farm land, industrial land or whatever."

They are liable to move rather rapidly. They are not people who like to sit around paying high taxes on land they cannot use. It seems to me there is going to be a need to address ourselves to this issue in relatively short order. I would like to get a little background on what is going on there.

Hon. Mr. Bennett: These wetlands and small farm forests—

Mr. Breaugh: Woodlots.

Hon. Mr. Bennett:—woodlots have created a problem for us with all the encouragement of government, both federally and provincially, to try to preserve some of these things.

We have been successful in some cases, through the Ministry of Natural Resources, in getting people to improve their woodlots through tax exemptions. Anyway, under the Assessment Act, there is nothing that defines a woodlot or a wetland as farm land.

10:40 a.m.

Mr. Breaugh: That is right.

Hon. Mr. Bennett: You are then going to run into this problem. The Minister of Natural Resources (Mr. Pope) and I have both gone to the Minister of Revenue (Mr. Gregory) to try to see whether we can design a special classification or interpret the classifications that currently are

there to include wetlands or woodlots under agricultural.

Mr. Breaugh: Yes.

Hon. Mr. Bennett: We think it would be rather successful. As you have said, it makes great common sense; if you do not give some advantage, people are going to look at ways—number one, the woodlot operators are going to say: "To hell with it." They are not even going to bother to try to improve—

Mr. Breaugh: Just cut them down.

Hon. Mr. Bennett: That is right. If you cut them down, then it is agricultural. I know it has the potential of becoming agricultural as long as there is a woodlot. Forestry has never been considered part of agriculture.

You are right. A lot of urban people, when they look down and see all these wetlands sitting in farm areas, wonder why the farmer has not gone out and been able to cultivate them or drain and so on.

I think the importance of wetlands has become much more apparent to a greater number of people than it ever has been. Now, with our encouragement, they are being retained for good environmental reasons. But we will have to find a way to make sure the assessment does not drive the owner to do exactly the opposite to what we would like from a government position.

Mr. Wildman: Waterfowl cannot pay property taxes.

Mr. Breaugh: Their track record is very poor; let us put it that way.

Mr. Farrow: Mr. Breaugh, the question you raised concerning the Second Marsh is being corrected, though. They were aiming at turning that into a harbour, not really into an industrial area. I gather Oshawa is looking at an outer harbour. It was the Beaton farm they wanted. They wanted to get into the industrial area. The Beaton farm basically is not wetlands.

Mr. Breaugh: It is surrounded by wetlands.

Mr. Farrow: It is surrounded by wetlands, but is not itself wetlands. That was the only area, to my knowledge, they were trying to get into industrial. I guess a harbour is industrial. It was in the hands of the city. Is that not in the—

Hon. Mr. Bennett: The harbour commission.

Mr. Farrow: The harbour commission is a federal—

Mr. Breaugh: After about a decade of sheer stupidity, the local harbour commission finally decided it ought to ask some questions about what might be a desirable way to proceed and

finally did some cost estimates, which proved the obvious. It is cheaper if they want to develop a harbour, to develop it out into a lake rather than perpetually digging out a marshland. They seem to have discovered that recently. They have been born again, so we have some enlightened views, finally, coming out of the harbour commission. We have some hopes that problem may be resolved. The difficulty, of course, is that it always takes so long.

Hon. Mr. Bennett: We have not heard anything about it for the last two years.

Mr. Farrow: We have not heard any of the problems. We are aware of what you are telling us about the harbour commission having gone out—

Hon. Mr. Bennett: But there has been no pressure. Going back about four or five years, there was a fair amount of pressure at the time they were looking at that thing with Canadian National Railways. They were looking at a ferry service back and forth; they were talking in grandiose terms, and they were going to have to use the marshlands.

Mr. Breagh: There were some commissioners who thought they were going to build a port of New York complex there.

Hon. Mr. Bennett: Anyway, in the last five years there has not been any—

Mr. Breagh: The difficulty, if I may use that as an example, is that while we are all diddling around about how we handle this, we have had about a decade of smaller problems created. The practical ramification is that while we all sit around and kind of dither and dather about how we ought to handle this, the wetlands themselves can be destroyed. They can be destroyed by simple things like somebody dumping a bit of fill in the mouth of the wetlands which backs it all up; as a result, you get all the silt and garbage.

Preserving the wetlands should be an ongoing process, but if you sit around for 10 years and let that get destroyed by abuse, at the end of the decade there will be no wetlands to be preserved any more. I do not think we have that problem in that particular area. I think we have managed to get it in time. I have the same concerns around this other assessment problem that has come up.

Mr. Farrow: Mr. Breagh, for several years, again in our planning process, we have been attempting to preserve wetlands. I am not suggesting that we preserved all wetlands and that there are not cases, as you are pointing out, where wetlands have gone. There have been applications before us—

Mr. Wildman: There are only 13 per cent of the wetlands in southern Ontario left.

Mr. Farrow: That is right. But we have frequently had applications to develop wetlands that have been turned down because of the process of sending the application to various agencies so that, mainly on the recommendation of the Ministry of Natural Resources, those areas have not been developed.

Wetlands guidelines are currently out; and we will be identifying the significant wetlands, so we will save more. We need to do more, there is no doubt about it. It has not been totally forgotten in the past 10 or 15 years. We have turned down a lot of development and designated a lot of land in official plans on which will not allow people even to ask for a development because of the concern, mainly on the part of the Ministry of Natural Resources, for wetlands.

We talk about preserving all wetlands. I had a pair of mallards walk out of a little swale at the back of my house in the middle of the town of Oakville. I am now concerned that I am going to have my lot designated as a wetland.

Mr. Breagh: You may have to deal with it.

Mr. Wildman: The main problem is the competing desires of the Ministry of Agriculture and Food and the Ministry of Natural Resources. Obviously, the Ministry of Agriculture and Food wants to encourage as much land for farming as possible and has drainage programs to assist farmers and municipalities to drain lands and to increase agricultural production, which we all want.

At the same time, if you eliminate all the wetlands, and southern Ontario has only 13 per cent of its total wetlands left, you are not going to have any habitat for waterfowl, for one thing. What happens then?

Mr. Farrow: What we are hoping to do under these wetlands guidelines is to find significant wetlands. There are, as I say, those similar to that which runs through the back of my house to the Second Marsh, there are various grades of wetlands, and we are going to designate the wetlands.

I think we have a very significant and worthwhile project under way now with our ministry and the Ministry of Natural Resources. We have a list of all those municipalities—one of Mrs. Beaumont's branches, the community planning advisory branch, helps fund official plans, so we know of all the new official plans that are being prepared or upgraded.

We have given that list to Natural Resources and it is sending teams out this summer to

designate the significant wetlands in those areas. They are not taking it by county; they are just going into the areas where new official plans or official plan updates are being prepared.

The significant wetlands will be designated, and we will make sure they are built into official plans that did not have them in the past.

I think we are preserving the significant wetlands. There will be some disputes, I am sure, between Agriculture and Food and Natural Resources, as there is about aggregates. Aggregates are sometimes found on good farm land, and we have to have some sort of balance.

Somebody in Agriculture and Food said the other day, "With a wetlands policy, we would never have had Holland Marsh." A lot of us eat a lot of the carrots and other things that are grown there. I do not know which is the more important.

Hon. Mr. Bennett: Survival.

Mr. Farrow: Some of us survive on ducks.

Mr. Breaugh: Especially in the lakeshore communities of southern Ontario where there has been a lot of urbanization, this stuff about the preservation of wetlands is unfortunately getting to be largely symbolic. You may be right. We may make an effort to save a token number of wetlands. It is an incredibly difficult problem.

Anybody who has had to deal with any of the lakeshore communities and the urbanization there knows that if the problem has developed to the extent that somebody has a structure on it, to try to resolve it after that point is expensive and frustrating, and nobody understands what is going on.

The very strict conservation authority that I served on is now entertaining a proposal that its main offices be built in the flood plain in the Oshawa Creek valley, which has been there for about 100 years.

10:50 a.m.

I have another area of concern. Many of us were anticipating there would be some provincial policy statement about group homes that would eventually, and we hoped finally, resolve what has been a really bitter controversy in a number of communities around group homes planning, zoning and all of that. Do we have any information about whether that policy statement is forthcoming, and when, and how it might work out?

Mr. Wildman: Have you hired Mr. Spensieri as a consultant?

Hon. Mr. Bennett: Not to my knowledge. For which side of the program?

Mr. Breaugh, I do not ever recall saying we were going to make a policy statement.

Mr. Breaugh: I do not believe it would have been your ministry, I think it would have been the Ministry of Community and Social Services.

Hon. Mr. Bennett: I do not remember them saying it. I thought we put out guidelines and made very clear what we thought were the right ways in which the municipalities should approach the subject.

We have been encouraging group homes, but I must caution you that when you get into the position of starting to tell municipalities all of a sudden, if you think you have resistance now, it just causes further resistance.

On the group home policy, I think most communities—I do not have the numbers but I think the ministry reporting for social policies will give it to you in a hurry—have been very receptive to moving in the direction of the guidelines enunciated by the province.

The problem you and I have is when we sit in Toronto the profile of every issue here becomes so weighted that it clouds everything else that goes on in Ontario. Because of the confusion we had in certain municipalities in the Metropolitan Toronto area, it is taken by some to mean that everywhere else in the province group homes have not been well received. I would have to suggest to you that in my city of Ottawa, group homes have been extremely well received, both by the municipal council and the public.

Sure, there is always a little bit of fuss and confusion. It has some degree of similarity to when you try to put public housing into a community or when you try to put an apartment building into a community that has not had one before, with some of those zoning changes required. They all have the same ring.

I think deep down, now they have been implemented in those major communities across the province, they have been able to prove exactly what the minister had said and what others have been saying, that they would blend into the woodwork, the same as anyone else's home.

I have two or three group homes within blocks of where I live in Ottawa. One of the old historic homes in the community has been turned into a group home, but someone would really have to point it out to you. The only thing is there is always a number of people around the house and that might give you some indication, but overall it has been very good.

If we could settle down one or two communities in this metropolitan area I think the resistance

factor we have had would disappear very quickly.

Mr. Breaugh: To be fair, I think it is a little tougher here in Toronto. As an advocate of group homes for some period of time I would admit that. In a large urban centre like Metro there is not quite the sense of community.

For instance, one of the greatest arguments I have in my own community around group homes is that it is pretty tough to identify a family that does not at least know someone who is benefiting from a group home, so you can relate almost on a one-to-one basis. You can say, "You may not appreciate having this group home next door to you, but you know someone in your family or you are aware of another family who has a relative or kids in a group home."

If you go around Oshawa, I would defy you to find a group home, yet they are in every part of the city. One of my blessings is that the guy next door to me runs a group home of sorts, so when they ask me that pertinent question, "This is a nice idea, but would you like it next door to you?", I can always answer: "Yes. As a matter of fact I have one, and you could not find it on my street unless I showed you where it was and we have had no problems in our neighbourhood with it."

It is, I think, a little different set of circumstances in Toronto where people do not have quite the sense of community they do in a place like Oshawa, or even Ottawa.

I think it might be somewhat helpful if we had something like a policy statement on the part of the province. I know there are guidelines out there, but you are right, it is an awkward issue.

One of the most common experiences I get in my office is people calling in, irate that some group home is going in next door. You have to kind of explain to them what a group home is, for starters. It is basically like having a large family next door. As a matter of fact, from my experiences in growing up, I think a person has more valid objections to having a large family next door than a group home. More problems come out of that.

It is a bit ironic that, in my experience with them, I cannot ever remember seeing any real problems with group homes. Yet I will be damned if, in the last six months, we have not had two experiences locally where there were problems with group homes. I hope we do not get a third. I may have a bit of a problem on my hands.

However, it is difficult to explain to people what a group home is, precisely because group homes are so different.

Hon. Mr. Bennett: The problem we get into here is that we start to get into a discussion on group homes, and halfway houses or whatever for those released from penitentiaries. People get into whether or not they were people who had drug-related problems. That really puts the scare into people.

In other words, they did not deal with the problem on a sensible and logical basis as to the prime concerns or reasons for group homes. They took the high profile, which is the most shocking and alarming to a young family.

There was a home in Barrie where they said they were going to put in all the rapists and child molesters. Nothing will disturb a community quicker than that. I do not think the mayor could have really, honestly, in his own soul, believed that was the intention.

Mr. Farrow: Mr. Breaugh, this is part of the concern we have about a policy statement. If we start circulating directives and spelling all these things out, it is going to happen everywhere. We think we will get more objections and more municipalities getting together on resolutions that they do not want this to be done. They will say, "Let us do it and not have the province tell us we have to do it and how we have to do it."

There are relatively few places where we really have a problem. We have met with the various agencies and groups of agencies to say they have to do a better job of selling what they are doing.

As you say, people really do not know what a group home is. I still have not been able to get a really clear mind on what we were talking about on the halfway houses where we are going to permit people out. Are they going to be people out of prison? Are they going to be people on parole? Are they going to be people on what? These are the things that concern people.

We think the agencies themselves should do a little bit better selling job. I think the Social Development policy field ministries, in general, are trying to do this. This is the important thing. People will really recognize what is going on.

You are right; there are not too many people who do not have someone in their family, someplace or other, associated with a group home.

Mr. Breaugh: Yes, or they would at the very least know someone who had kids or relatives in one.

I think one of our successes has been that the group homes in my area tend to be run by nonprofit agencies that at least have somewhat of a good reputation at work. The phenomenon I am

seeing—and this is where I think there might be a need to go a bit further—is that there are also people coming into the picture now who are running businesses around group homes.

A nonprofit agency with a community board has some sensitivity that they do not want to create a problem. However, individuals can now set up what look very much like group homes. They are motivated by a different factor.

In our area, we have escaped virtually all the controversy. I should not say we have escaped it; every time a group home goes in, someone calls the office and asks, "What is this?" To kind of cool them out, we tell the agency to go out on the streets and tell the folks what it is up to.

Recently, however, because of a number of other ministries' actions, people are now making a business out of group homes. There are a lot of these around. For some of them, I find the attitude somewhat different. They say, "Now listen here, I can get a licence to run a rest home," or something like that. There are different classifications of them now.

11 a.m.

For example, I had another group home company arrive in town. It was quite good in telling me what it wanted to do and talking to other agencies about what it wanted to do. For example, it did not want to put all the homes in one area of town. It wanted some sensitivity that there would not be a block with 14 group homes on it, as we see in some places in Metropolitan Toronto.

However, that has been a problem, as more of the private sector moves in to provide homes for special care. These are run by individuals and there are no community boards to say, "Wait a minute, we should have some sensitivity to that particular neighbourhood," and things like that. We may encounter some other problems which will not be resolved quite so smoothly.

I have never advocated that a municipality needs to set up a zoning bylaw around group homes. However, where a business moves in and sets up a flock of them in a neighbourhood, if they are not going to regulate themselves somebody is going to have to do it for them. That threatens all the group home programs in a community. We may be on the verge of destroying a very good idea by not moving in that direction a little more forcefully.

I agree that if Ontario puts out a policy paper and demands that every municipality in the province put in a zoning bylaw, it is really going to hit the fan. Then you are creating problems, instead of resolving them.

However, I am just trying to point out that in my local experience and from what I sense in other municipalities, there are a lot of the ministries now which are very much into deinstitutionalization. Some of that is occurring in nonprofit sectors with community boards and all that. It appears to me to be flowing okay in that direction.

I also have to recognize that in a number of communities now there are people saying: "I can get a licence to run a home for special care. I can run a rest home, which is virtually unlicensed. I can run a group home of any sort and have no requirements to provide nursing care or to limit the number of people I can pack into a house. I have some requirements on me, dealing with fire marshals and people like that."

However, in many senses, we are closing up major institutions and the nonprofit groups which are out there are not going to be able to absorb all of them. The private sector is moving in. They are not quite as sensitive to the needs of the community and there is no requirement for them to be so. Therefore, you are dependent on a private operator functioning, almost out of the goodness of his heart, in a way that respects all these other things. This concerns me somewhat.

Mr. Farrow: Mr. Breagh, here again, we are trying to meet with municipalities, through our community planning advisory branch and other people. The separation distance is the one thing that some municipalities want in zoning. If you want to put in five or six facilities all in one area because they happen to have big houses, that is when you are going to get a lot of objection from the rest of the people in the immediate community. We are seeking some way to make sure you get group homes, but that they do not all go into the group home area down the street.

Mr. Breagh: That is right.

Mr. Farrow: We are trying to do this by meeting with the municipalities and agencies and talking the logic of it, rather than telling them they have to do it. When you get into a policy statement, it is really saying, "This is the way it is going to be unless there is a good reason to go some other way." To quote your words, we are afraid it would "hit the fan" if we did it in a policy statement.

It is not that we are not out talking and selling. We think it is a thing we have to sell, together with the other ministries, but on the logic of it. Let us make sure that no one is going to be forced to have such a number of them that it will turn everyone off.

Mr. Breaugh: Right now, I think my assessment would be that we have the luxury of doing without policy statements or zoning bylaws in a number of communities. I am a little concerned that we may not have that luxury much longer. I see deinstitutionalization in a number of major facilities across the province, which is going to generate a need for group homes on a large scale. I have some concerns that the advanced planning for this is less than I think necessary.

To use my local example, if the Durham Centre for the Developmentally Handicapped in Whitby closes down, it is going to generate a need for group homes in my area, some of which can be absorbed by proposals that are not getting approved right now.

I know that about 68 different proposals have been made to the Ministry of Community and Social Services to provide that kind of care in the community, none of which is getting approved now.

We have to get them approved in short order. I think that closing is scheduled for the fall of 1985 or 1986. If that happens all at once, I know what will occur. If the proposals for community care that are coming from the Ontario Association for the Mentally Retarded, for example, do not get funding, they are going to be out the door and they are going to go somewhere.

I know there are a number of big houses in communities all over the Durham region where some operator could move in and say: "Boy, I could make a buck here. I could handle 20 or 10 or five of these kids in a house. There is no requirement for the level of care. All I have to do is buy it, divide it up, get it past the fire marshal, and I am in business here."

I am seeing a bit of that phenomenon now, and I am somewhat concerned that we will see an explosion in that regard. This would be resolved, frankly, if another ministry provided funding for those community care programs. You would not have the planning problem three years from now.

I am anxious to hear you say, "Well, we are talking to all these other ministries," whether it be the Ministry of Health, the Ministry of Community and Social Services or whatever. We are trying to avoid a planning problem here.

Mr. Farrow: I think even if we had a policy statement, it would not be one dealing with the level of care given in the home, whatever it was. That is going to have to be done by other ministries.

Again, I am no expert, but I was under the impression there were certain controls on the

levels of supervision and care required in group homes.

Mr. Breaugh: Not really. Let me put it this way. There are guidelines for levels of care, but there is nothing which says that you and I could not buy two houses and take in psychiatric patients. There is nothing on the books that would stop us from doing that.

Essentially, we are running boarding houses, and as long as we can run a boarding house in that area, there is no limit on the number of people we can have in that boarding house.

Hon. Mr. Bennett: However, it would not be a superior health operation, as regards the square footage.

Mr. Breaugh: Well, you get into the same problem we have now in other areas.

For example, we and a number of other municipalities have some difficulty with men who are on the move, who do not have a job, and have a series of problems—a sort of flophouse mentality. You can have the kind of thing that is arising here in Metro and in a few other urban centres. A church, or some other building, will open up its doors during the evening, and as many people as can get inside that church, church hall or whatever, can stay there.

I think this is seen to be temporary in nature. We hope it is. However, the fact is that all across southern Ontario, in every one of our urban centres, and, I suspect, in the north, we are now dependent on some church group, or whatever, to provide that kind of accommodation.

I know for a fact they are unable to meet the need now. I do not know what would prevent someone from saying, "Well, I am just renting out rooms to boarders here." I do not know what controls there are. I do not think there are very many, quite frankly.

Mr. Farrow: However, Mr. Breaugh, I think there are controls—if not through health and building there are controls through some zoning bylaws that talk about the number of square feet, or the number of persons per room type of thing.

They are usually worded in a way that is not going to stop a big family from living in a home, but it will make it very difficult, if not impossible, for someone to put four kids in a room. I mean, a person might have a three-bedroom house and he has decided that he is going to put four kids in each of two bedrooms, plus one room for himself or for him and his wife.

However, I know of some bylaws that talk about the number of square feet per person required. I think it is very important as regards group homes, because you are talking about the

group homes in your area that are virtually difficult to find.

11:10 a.m.

Now, if there were twice or three times the number of people in them, you would really be able to see them. It would be a situation like that of the little old lady in the shoe, with kids sticking out of all the windows. That is what we have to avoid. That is the kind of thing that will really cause a problem.

However, most of the group homes that are effective are ones that do not look like group homes. They may look like a big family, but they are not overcrowded to the point they are causing problems to the neighbours and to the people living in them.

Mr. Breaugh: My concern centres on control. As I see it, the only real control we have on that is where there is an agency which is doing the placement. That is the control. For example, somebody coming out of a facility such as a psychiatric institution would have placement officers and they would have control in a few respects.

They would virtually control pensions and things of that nature, or the type of care provided. They can say, "You own a group home and we will place three psychiatric patients in your home." They are part of a continuing care program that is related to a central institution. That is the control there is.

Then I think it kind of breaks down into urban and small town problems. In the urban centres, the placement agencies are there, but once one goes outside of the city of Oshawa or the town of Whitby and goes into the northern tier municipalities in my region or in anybody else's region, or once one goes outside the city of Hamilton, there are a number of small towns that certainly have no placement agencies, bylaws, regulations or zoning laws that would enforce this. It is kind of open season.

My concern is our controls on all of this are a bit on the tenuous side. They are dependent on the institution to have a placement office and people are going out and saying, "We will put three people in this home." That is the control. If they do not have a placement service—and a lot of them do not—there is no control.

If there is no control locally, it is virtually uncontrolled, so we are still seeing the phenomenon where they just simply bus them out a little further. That is where the problem occurs.

Those are the kinds of major concerns I have. I have one other issue I want to raise, but I know the member for Algoma (Mr. Wildman) had

something he wanted to raise, as does the member for Kitchener-Wilmot (Mr. Sweeney). So maybe I will give them a chance to go at that and then I will come back with one other concern I have around planning matters.

The Vice-Chairman: Mr. Wildman is next, and then I have Mr. Sweeney on the list. I think we have to remember we are going to try to look after votes 2502 and 2503 today. I ask you to bear that in mind as you expose your problems surrounding those items in vote 2502. Mr. Wildman, please.

Mr. Wildman: Thank you, Mr. Chairman, I will be brief. I want to raise some concerns regarding planning in the unorganized areas. You might suspect I am referring to Forest Glen subdivision in the unorganized township of Striker near Blind River, but I would prefer to deal with that under the next vote on the Ontario Land Corp. since they are now involved.

I would like to deal with a similar situation in the unorganized township of Aweres where I hope through the efforts of the ministry we can avoid having the same kind of thing happen in that township as occurred in Forest Glen subdivision. I am referring specifically to Peace Tree Woods subdivision in the township of Aweres. It is also referred to as Aweres Estates.

Like the Forest Glen situation, we have a subdivision, much smaller in scale, but one which has communal services. I want to make it clear that I believe I have had co-operation from ministry staff in dealing with this difficult problem, but I am disappointed that the correspondence I sent to Mr. Farrow some months ago has by this time still resulted in what I consider to be interim answers, which were addressed to me on March 20.

In fact, the facts surrounding the subdivision are quite at variance from what the understanding of the ministry was about those facts. In my letter, dated January 25, to Mr. Farrow, I pointed that out. In his response, dated March 20, he said: "Our information continues to differ from the facts you have." I note that he referred to them as the facts I have, which I appreciate.

I understand the ministry met with other agencies—the Ministry of the Environment and the Ministry of Transportation and Communications—to try to clear up the confusion. I am informed that the legal people in the Ministry of Municipal Affairs and Housing have also been involved. As yet I have not had any further response to indicate whether or not the ministry has cleared up the difference in information.

I have had some informal discussions with members of the staff however. I understand the Ministry of Municipal Affairs and Housing is taking the position that the incomplete or inadequate water services and the failure to transfer the sewage blocks to the nonprofit corporation of the residents are the Ministry of the Environment's problems. It is up to the Ministry of Environment to resolve them in some way.

With regard to the inadequate road, I understand the ministry is still awaiting a written response from the Ministry of Transportation and Communications. I included a written statement by officials of the Ministry of Transportation and Communications to Mr. Farrow, which I sent late in January.

I understand that it is the position both of the Ministry of the Environment and the Ministry of Municipal Affairs and Housing that they do not see it as their responsibility to reimburse the residents for their out-of-pocket expenses for the maintenance and repair of the communal services. I have suggested that the ministry staff meet with the residents to discuss that issue. I understand they are prepared to do that.

I honestly do not understand why in this particular situation, considering what happened with Forest Glen, the ministry is not taking a similar approach and is not resolving it once and for all, the way they have apparently decided to resolve the Forest Glen problems. I would like to know why.

Mr. Farrow: I am going by recollection. I do not have any information here on Peace Tree or Aweres Estates but you and I have had discussions. I know my staff have talked to you on several occasions and with the people up there. We appreciate the concern which is going on. It is one of the things we are confronted with in development in areas without municipal organizations.

Basically, we have agreed there are some parts of Ontario without municipal organization where development should be allowed to proceed. We have Sault North, where there is a planning board, and has been for some time, which has been quite deeply involved. While they are not elected, they pretty well come under the recommendation of the little groups that are there.

I do not think we had the same form of subdivision agreement—I am saying “I think”—in Aweres Estates as we did in Striker.

Mr. Wildman: Apparently there are some legal differences.

11:20 a.m.

Mr. Farrow: This is the reason for the different approaches on the thing. We have over the period of years progressed from the days when we approved a great deal of resort development. A considerable amount of northern Ontario, where summer camps and summer cottages are permitted, was subdivided. There were no municipal organizations. The only thing we had were undertakings that people would do this and do that.

The road they had to do was put in by bulldozer because it was only used in the summer, and everybody was happy. Things have progressed to the point where we could not live under the goodwill of the subdivider saying, “Yes, I will put in a road,” and bulldozing it in. People wanted to use it more frequently for longer periods of time and over the winter, and some became permanent residents.

The culmination of the concerns we had came together in Striker where we filled out a detailed subdivision agreement of what would have to be done. I understand we did not have that in Aweres Estate.

Mr. Wildman: I would argue that you did not have that in Striker either.

I understand what you are saying and there is a significant difference. I appreciate the need for detailed subdivision agreements. The significant difference between the subdivisions you are talking about in unorganized areas and these two, Forest Glen and Peace Tree, is, first, you are not talking about recreational development which at some future date might become permanent when someone decides to winterize a cottage. You are talking about subdivisions designed as what you might call luxury homes and permanent homes. People purchasing properties in those subdivisions are purchasing on the basis that they are promised substantial services, even to urban standards.

The other major difference is you are talking about communal services beyond the roads in these two subdivisions. In an unorganized area, there are local roads boards. If there is a communal road, as long as it is brought up to the standards of the Ministry of Transportation and Communications—which has been a problem in both these subdivisions, I might say—a local roads board can take it over. It is not just the residents who are dealing with it; there is a quasi-judicial structure under the aegis of the Ministry of Transportation and Communications to deal with the maintenance of roads.

In the Forest Glen situation you are talking about a communal water service and in the Peace Tree subdivision you are talking about communal water and sewage. There is no municipal or quasi-municipal organization to look after these, so the ministry looked at organizing a nonprofit corporation or perhaps a local services board. I understand another branch of the ministry would look askance at a local services board in these two areas. You are talking about something new, something not done before, and I can understand why there might be some problem with these subdivisions.

How are you going to resolve the Peace Tree subdivision problem? How are you going to ensure the water and sewage works are brought up to standard? How are the roads going to be brought up to standard and maintained? Are you going to approve subdivisions with communal services in unorganized areas again?

Mr. Farrow: Mr. Wildman, dealing with the last question first, I think it is likely we will be approving subdivisions in unorganized territory with communal services.

Mr. Wildman: You are not talking about septic tanks and wells. You are talking about communal services again.

Mr. Farrow: Right, water systems. I cannot give you any cases of yes, we will; or no, we will not. It is going to depend on the circumstances of location and various other things in the proposal. I do not think we can categorically say there will be no communal services in unorganized territories. Hopefully, we would have a better system of ensuring that those communal services are going to be built and turned over to a group of people.

A condominium is not a great deal different with regard to some of the responsibilities you would have. If you move into some condominiums, you have the road, the pipes and the water to look after. Somebody pumps it in, but you do a lot of these things. We have ways that this will work better.

Peace Tree—I always want to call it a peach tree—is a problem—

Mr. Wildman: There are not many peach trees in our part of the province.

Mr. Farrow: The true north has been a problem to us for these many years.

Mr. Wildman: Mrs. Beaumont knows that.

Mr. Farrow: We have made progress, but it is not perfect. From where we started some of the things now are infinitely better, but we are not perfect.

Mr. Wildman: What about the other question I asked? How are you going to resolve the Peace Tree situation? Are you thinking of suing Konig, the original developer? What are you doing?

Mr. Farrow: We have talked about that for two or three years. We have written back and forth. I mentioned to you when I talked to you on the phone some time ago that the information I put in that letter to you earlier on was at variance with the information you had. Some of it turned out to be at variance with the information we subsequently got. I apologize for that.

Mr. Wildman: That was not your fault; you just did not know. Maybe you should have known.

Mr. Farrow: I will take the responsibility that probably I should have known, but I did not. I cannot give it to you today, but tomorrow—I do not know if you are coming here—

Hon. Mr. Bennett: If you are coming, you will be here alone. The rest of us are not coming.

Mr. Farrow: That is right. You are all going to Ottawa.

I will get this for you before the end of the week. Perhaps you could come over to the office. I will get my people and we will sit down and see if we can hammer out where we are.

We cannot say because the Ministry of the Environment, as you well know, and the Ministry of Transportation and Communications, are deeply involved in this. We have a bit of a problem. We want the local people. Personally, I think the local people have a certain responsibility to do things and to make things go.

Mr. Wildman: They have set up a corporation. They are ready to take it over.

Mr. Farrow: You must admit it was a very difficult thing to get that corporation set up.

Mr. Wildman: Sure, but I do not want to set up a corporation to take over services that are substandard. I want to ensure they are up to standard. I do not blame people for saying: "Wait a minute. We do not want to take this over until the water and sewer works are working and are up to Ministry of the Environment standards."

There was a great deal of reluctance. They agreed and set up a corporation and said, "All right, we will take them over," because they got so frustrated that there was not going to be any other way of getting them brought up to standard.

Now we have a situation where the Ministry of the Environment informs me that it does not have any policy for reimbursing those people for doing the work the developer should have done on

those services and that perhaps the Ministry of Northern Affairs might be able to help. That sounds like a lot of buck-passing to me.

Mr. Farrow: You had some figures on what it was going to cost per family, per unit.

Mr. Wildman: I would have to check in my file. I have those figures, but I cannot quote them off the top of my head. We can talk about it another time.

11:30 a.m.

Hon. Mr. Bennett: You asked about communal services. Mr. Farrow's answer is precisely the one of the minster. I do not think that you, any other elected member or the public would expect us to say we will have no further communal services in unorganized territories. We would be under great criticism.

In some areas where there are problems with the septic systems and so on, you might well find that such a positive policy position would have to be corrected and changed. I think we have to allow ourselves the flexibility of examining these. We have been able to discover a number of things as we have gone along, and you have a couple of them in your area, unfortunately.

If we were all that smart to start with, we would not have to have politicians sitting around here discussing the problems.

Mr. Wildman: I am just guessing here, but I would say you are talking about a very small amount of money. You are talking about \$3,000.

Hon. Mr. Bennett: Per household?

Mr. Wildman: No.

Hon. Mr. Bennett: Overall. Out of how many units?

Mr. Wildman: I am not sure; not very many.

Hon. Mr. Bennett: How many?

Mr. Farrow: Twenty, 30, 40? I do not remember.

Mr. Wildman: No. There are about 20.

Mr. Farrow: Yes, 20.

Hon. Mr. Bennett: So you are talking \$150 a unit.

Mr. Wildman: I do not want to give you the impression that people here are in the situation where they necessarily need this money.

Hon. Mr. Bennett: Oh?

Mr. Farrow: It is not a poor vote.

Mr. Wildman: No, I am not talking about people who are destitute. But the point is that they do not see why they should have to pay this money. They paid it. The money I am talking about is what has already been paid, not how

much it would cost to bring it up to standard; that would be an additional amount.

Mr. Farrow: What would be needed to bring it up? It is not a lot to bring it up either.

Mr. Wildman: No, it is not. It is a small amount of money—a couple of hundred dollars per lot or something.

Hon. Mr. Bennett: It would be \$150 per household.

Mr. Wildman: It is the principle. These people are saying the developer should have paid this and they had to pay it because he did not. I do not want to make a big deal out of that. I would just like to determine how these things can be resolved, and I appreciate meeting with you and the offer you have made.

I might also suggest that you might consider very carefully meeting with the residents, because since they have formed a corporation they have been quite patient. They had hoped it would be resolved before last winter. They have gone through another winter without the matter being resolved. Luckily, we did not have any water problems.

Mr. Farrow: We do appreciate the work you have done in helping them get their corporation set up and somebody we can deal with.

Mr. Wildman: Okay. I will meet with you and we can meet with the residents as well.

The Vice-Chairman: Is that it for that subject?

Mr. Sweeney: Mr. Chairman, I would like to deal very briefly with some questions relating to items 4 and 5, community renewal and community planning advisory services, that general area.

We did a breakdown of the ministry's figures, and an interesting analysis becomes apparent. It would appear to us, if we are reading the figures in items 4 and 5 in vote 2502 correctly, that the estimated decrease in transfer payments and disbursements from 1983-84 to 1984-85 is about \$2.2 million or about 10.5 per cent.

At the same time, there is an actual increase in costs associated with administrative disbursements of approximately \$113,000 or slightly more than one per cent.

How is it that you can be decreasing your actual transfers and disbursements by more than 10 per cent but increasing the cost of administering those by \$113,000?

The other question is, why is there a decrease of that significance?

Hon. Mr. Bennett: Basically we are into the neighbourhood improvement programs, community renewal and downtown revitalization.

As you know, in some cases there are programs going out of existence. For example, the downtown revitalization program is no longer a program in the ministry. What we are doing is using up some remaining funds out of the \$54 million or \$57 million we originally were allocated. The last project to come on stream is Brantford, if it does, but then that program will be *finis, kaput*, as far as our allocation is concerned.

Under the community services contribution program, if you looked in my original statement at the start of my estimates, I said we were running out of the neighbourhood improvement program and the community services contribution program, two programs in which we participated with the federal government and which they eliminated.

The new program we brought on was the Ontario neighbourhood improvement program, whereby we are a 50:50 partner with the municipalities. Our funds in those areas, and I am talking about the initial ones—downtown revitalization, neighbourhood improvement and the community services contribution program—are considerably reduced, if not completely eliminated.

That is where we get into the difference of allocation. On the other hand, we also had the Ontario home renewal program which, as you know, in a sense is on its own as well, save and except we still have to do some auditing and some proofing and administration of their accounts to see where the funding is going.

Mr. Sweeney: If you are reducing your participation in these programs, why does it show that the cost to the ministry has gone up?

Hon. Mr. Bennett: We still happen to be administering them. We are not finished with them. The allocation of money is one thing. The Ontario home renewal program still has to be administered because there is still \$26 million to \$28 million out there at the municipal level.

We are still working on the Ontario downtown revitalization program, because we still have to administer the moneys we have already allocated to the program, some of the projects are not finished. The CSCP basically is finished now, but there is still some administrative work, from our point of view in the ministry, with the municipalities. The same thing applies to the other programs.

Even though our capital funding has been allocated, the fact is that until the actual projects are finished we still have an administrative responsibility.

Mrs. Beaumont: What the minister says is quite right. A large capital program, the downtown revitalization program, is coming to an end. Over the last several years, we have been looking at a reduction of the transfer payments in the renewal area.

In itself, that is somewhat misleading. While we have large financial programs coming to an end, we have substituted other programs for them. The minister mentioned the Ontario neighbourhood improvement program and the commercial area improvement program, which make up the programs for renewal, improvement and development package. We are dealing there with lower funds, but we are distributing those in small amounts to a larger number of municipalities. We have a ceiling on—

Mr. Sweeney: Excuse me. Would you go back? You are distributing them in smaller amounts to more municipalities?

Mrs. Beaumont: To more municipalities.

Hon. Mr. Bennett: As an example, I might indicate that under downtown revitalization we have had programs that have been in the multimillions of dollars. In Brantford, it is \$7.6 million; Guelph is more than \$7 million, I believe; Chatham is in the \$7-million range and so on.

Mrs. Beaumont: The commercial area improvement program has a ceiling of \$500,000.

I am sorry, there are fewer dollars but distributed further over the municipalities.

Mr. Wildman: Would that mean it goes to smaller municipalities?

Hon. Mr. Bennett: It means more participate; that is correct.

Mrs. Beaumont: There are different kinds of projects—not major downtown shopping centres; more street work.

Hon. Mr. Bennett: The other thing we did when we expanded the program was to allow, for example, a particular community within a municipality to participate; whereas before, under the downtown revitalization, they were out, eliminated.

11:40 a.m.

Mrs. Beaumont: The other thing we are doing in the community renewal area is placing a considerable emphasis on the development of community improvement policies. This is being done under the new Planning Act; it did not exist before.

What we are asking the municipalities to do—and the staff are working to a large extent of

their time with the municipalities—is to look at priorities for renewal; and to look at them not only in the context of provincial funding programs but also as opportunities for private development. The municipalities then could have discussion with local people, the developers. We have expanded the kinds of roles. They are doing more of an advisory role with the municipalities on renewal activities. As the minister said, they are also administering the existing programs, and we have had a change in the programs.

You mentioned a similar reduction in the transfer payments in the advisory area. There was the reduction of \$583,000 there. To a very large extent, that reflects the elimination of energy conservation through the land use planning grants program, which ran for three years.

Mr. Sweeney: Which one was that again?

Mrs. Beaumont: Energy conservation through land use planning grants, on page 128.

Mr. Sweeney: Okay.

Mrs. Beaumont: In that program the funds were transferred to this ministry from the Ministry of Energy. They worked with a number of municipalities, analysing them to look at things they could do to conserve energy through the planning process. Major participants were the cities of Windsor, Sault Ste. Marie and Ottawa, generally larger centres.

That was one of the programs we looked at in the ministry under the program review. We looked at the potential market and came to the conclusion that the market for that program, for the kinds of funds that had been distributed, had been met. We had a lot of discussion last year with municipalities. All those that anticipated participating in the program had already done so. That program was eliminated, and that was the major reduction there. We still have minor reductions to reflect the anticipated work load tasks of that municipal program.

Mr. Sweeney: I am trying to get straight in my mind the main street revitalization program and the commercial area improvement program. According to your estimate binders, the MSRP was replaced by the CAIP; is that correct?

Mrs. Beaumont: Yes.

Mr. Sweeney: Our analysis shows no money was allocated to CAIP in 1983-84. Did these programs not distribute any funds in the last half of 1983-84? If there was a substitution during that period and we do not find any evidence of allocation of funds, what did they do?

Mrs. Beaumont: Six million dollars was allocated under the CAIP program in 1983-84. There are distinctions in these programs between allocation and cash flow. The money is allocated to the municipalities. They are given a guarantee by the minister that money will be available to them for the works they undertake to carry out. They must make progress on these works, though, before the cash is actually flowed. That money is flowed to them over a period of years.

Hon. Mr. Bennett: During the course of the contract, they present certified accounts from their engineer and their accountants, and the payment in relation to our percentage is made.

Mr. Farrow: That program was announced last summer.

Mrs. Beaumont: Yes, in August.

Mr. Farrow: By the time the money was allocated I do not think there was any cash flow.

Mrs. Beaumont: No. It was late in the year before the money was allocated.

Mr. Sweeney: So the statements would not show any money actually being expended; there was simply an allocation.

Mrs. Beaumont: That is right.

Mr. Sweeney: All right. Let me come back from the other end. If the main street revitalization program has been replaced, why is there a \$367,000 figure for it in the 1984-85 estimates?

Mrs. Beaumont: For the same kind of reason. That is cash flow on commitments made in previous years.

Mr. Sweeney: That is the reverse of what you just described?

Mrs. Beaumont: That is right. That money will be reducing—

Mr. Sweeney: In the one case you allocated but did not spend, and in the other case the expenditure flowed from a previous allocation.

Mrs. Beaumont: That is right.

Mr. Sweeney: I have one more question, which may straighten it all out. This ties it together. Again, it is a summary.

The 1983-84 estimates for urban renewal, neighbourhood improvement and main street revitalization showed figures of \$250,000, \$2.2 million and \$1.5 million. According to our analysis, the actuals were \$40,718 compared to the \$2.2 million and \$875,000 compared to the \$1.5 million. In other words, there is a 42 per cent decrease between estimated and actual. How does that tie in with what you just described to me?

Mrs. Beaumont: Let us look at those programs as individual programs. Urban renewal, as you recognize, is a program that died in 1968.

Hon. Mr. Bennett: We have not buried it yet; that is our problem.

Mr. Sweeney: An estimate of \$250,000 compared with an actual expenditure of \$40,000 is significant.

Mrs. Beaumont: Yes. The program that I mentioned died in 1968. We have had projects that have continued under the urban renewal program. That was the major clearance and rebuilding programs that rebuilt such city centres as Sudbury, Hamilton and so on. Those were major programs.

Hon. Mr. Bennett: And Sault Ste. Marie and Ottawa.

Mrs. Beaumont: It was a federal-provincial program. When that program died, there was a continuation of funds over a substantial period of years from that. The money allocated in the estimates last year for urban renewal reflected what we had anticipated doing in clearing up a couple of final projects in Hamilton, Sault Ste. Marie and Windsor.

What happened was that the municipalities were not able to finalize Windsor and Sault Ste. Marie as renewal projects. What was required in both instances was action by the municipality, by the private sector, by the federal government and by the provincial government for the remaining difficult parcels of land. That was carried forward. We are hoping to close out Windsor in a short time. We are still having discussions with Sault Ste. Marie and the federal government. We have our fingers crossed, hoping we can close that one out this year.

Mr. Sweeney: Basically what you are telling me is that this \$250,000 figure is just going to keep running along until you finally—

Mr. Farrow: It is beyond our control, but we have to have enough money to pay it if they come and ask for it.

Mr. Sweeney: That is understood.

Hon. Mr. Bennett: In Sault Ste. Marie the problem is trying to move those sandpits; if they could ever get the damned things moved. They have a problem between the private corporation—Algoma Central Railway is involved somewhere—and the federal government on the waterfront. They have had two or three schemes, but they have all come to naught for reasons best known to the council and others.

We have made it clear to them that it would be great to get rid of the darned thing and get it out of

the way. We were even prepared to make a settlement with Sault Ste. Marie and say: "Here is so much money. Do whatever you can and that is it. We have paid you. If you can do it for this amount of money, great; if you cannot, so be it."

Mr. Wildman: One of the things that has held it up is there has been talk with the federal government for a long time about the possibility of harbour facilities.

Hon. Mr. Bennett: That is correct.

Mr. Wildman: The harbour has not materialized.

Mr. Beaumont: That was one of the problems.

Mr. Wildman: The private company does not want to move until there are adequate harbour facilities.

Hon. Mr. Bennett: Not until they know what the score is.

Mrs. Beaumont: What do you do with it? You keep carrying the money.

Mr. Sweeney: That makes sense; I understand it.

Mrs. Beaumont: On the neighbourhood improvement program, that again is a terminated program. That was the federal neighbourhood improvement program; the original one.

Mr. Sweeney: When was that?

Hon. Mr. Bennett: That would go back into the 1960s.

Mrs. Beaumont: The mid-1970s; I think it was 1973. It ended in the late 1970s.

Mr. Farrow: That was the one that was unilaterally ended by the federal government.

Mrs. Beaumont: Neighbourhood improvement had some problems with the way administration of the program was designed by the federal government in that there were no deadlines for municipal action and no deadlines for cash flow.

There was an agreement between the federal and provincial governments as to which level of government would pay for what kind of services in the agreements with the municipalities. What happened was that the municipalities naturally enough undertook the hard services first—the federal government was paying for those—with the softer types of services, which the provincial government was paying for, following on.

Mr. Sweeney: For example?

11:50 a.m.

Mrs. Beaumont: The parks, the community centres and their furnishings. Because there are

no deadlines to the program, it has dragged on beyond when we had anticipated work would be completed; and also, as I have said, federal work was undertaken first with provincial work to follow, that also has caused a distortion in the cash flow.

You may notice that in the Ontario neighbourhood improvement program we did, in fact, flow almost \$3 million more than we had anticipated in the estimates. That program was designed to try to correct some of the problems with pre-existing programs and our deadlines from municipal action on those.

What we did last year was attempt to move those projects in the municipalities, deliberately urge the municipalities to move them a lot faster than some of them had anticipated so we could work ahead on that.

Mr. Farrow: It is the same problem. We have a program wherein we are committed to pay funds when the work was carried out by the municipalities and we have to have it available. If it does not go, we do not look good. We try to encourage the municipalities.

Our new programs, as Mrs. Beaumont has pointed out, have that spelled out. If they do not do it by a certain time, too bad.

Mrs. Beaumont: We mentioned in the estimates that main street revitalization was \$1.5 million and the actuals were \$875,500. Again, there were two problems. One was that the action did not take place as rapidly as we had anticipated.

Second, when we announced in mid-year that that program was to be terminated and rolled into CAIP, the commercial area improvement program, some municipalities started to go back and re-examine if they wanted to carry out the project they had originally anticipated, or given the design of the new program to redesign the project. Under CAIP they could undertake larger scale works than under the old main street program. A number of municipalities went back and took another look at it.

Mr. Sweeney: They are eligible under either one?

Mrs. Beaumont: Yes.

Mr. Sweeney: If they had that previous commitment.

Mrs. Beaumont: Yes.

Mr. Sweeney: So is that same type of figure analysis probably going to continue for the next year or two then?

Mrs. Beaumont: Yes, that is right.

Mr. Sweeney: Okay, that is all I have on those. I have one question of a general nature.

Mr. Wildman: I would be interested in finding out the status of the Michipicoten township neighbourhood improvement application for Michipicoten Mission and also the Blind River application under CAIP.

Mrs. Beaumont: That is an application for the 1984 allocation.

Mr. Wildman: Yes.

Mrs. Beaumont: We have not yet done the allocations for 1984. The deadlines were only a short while ago. In fact, in response to those deadlines, we have in our 1984-85 allocation \$12.3 million for ONIP and \$2 million for CAIP. We have received applications for \$45 million for ONIP and \$11 for CAIP, so it is going to take a little while to go through the allocations.

Mr. Wildman: That, I think, applies to Blind River, but I am not sure it applies to Michipicoten which is an ongoing program. I think it has just gotten its federal funding.

Mrs. Beaumont: I will look into it and give you a call and let you know.

Mr. Sweeney: I have one final question and I think it should be fairly short. Page 82 of your briefing book lists the statutes administered under the program. I notice the Land Titles Act and the Registry Act are both included.

I get a lot of, not complaints but voiced frustration I think it is, about the antiquated process that is used in Ontario to search titles to property. I understand there are some legislative changes contemplated in that.

Hon. Mr. Bennett: We talked about it yesterday evening under section 53.

Mr. Farrow: That was that part of the act that would help correct some problems with title searches.

Mr. Sweeney: My understanding is that even with these legislative changes, people will still have to go down to a land registry office and spend hours and hours and hours leafing through books. Surely, as my legal friends have put it to me, it is time for Ontario to get into the 21st century.

Where are we at with that? How long will it be until we get to the point where you can simply tap into a computer terminal and have the whole record right in front of you? Why can that not be done?

Mr. Farrow: Mr. Chairman and Mr. Sweeney, the notation that we administer does not mean we are the sole administrators of these acts.

We are involved with the Land Titles and Registry Acts through the approval of subdivisions, condominiums and those sorts of things. We are a part of the thing, and we have the subdivision control on consents—as in the little presentation that was made last evening on correcting mistakes that may have been made in titles.

However, we do not run the land titles office. That is the basic responsibility of the Ministry of Consumer and Commercial Relations. They are involved in a program called Polaris. I cannot tell you what Polaris means, other than that it is the north star. However, that is to try and update—

Mr. Sweeney: Is it not the wishing star?

Mr. Farrow: No comment. They are working on that to try to come up with something that is much easier. However, it is not within the purview of this ministry.

Mr. Sweeney: That is all, Mr. Chairman.

The Vice-Chairman: Thank you, Mr. Sweeney. I believe we are ready—

Mr. Breagh: I have one little question. I will be succinct, as I always am in this matter.

The minister may be aware there was a little shopping centre just north of Barrie, owned by a company known as Cadillac Fairview Corp. Ltd., represented by a law firm headed by one Fast Eddie Goodman.

Rumour has it that one cold December evening last year, the council of Barrie—which had been holding up this \$20 million expansion—met in closed session and decided to withdraw its objection so this could proceed. The next day, the minister rose in the Legislature to announce a new bill, Bill 142. On the third day, he rose again, and—

Hon. Mr. Bennett: I am not alone in that case.

Mr. Breagh: —issued by ministerial order the approval for that shopping centre to proceed. It is a rather unusual, not common, practice to have the approval to expand a shopping centre given by order of the minister.

I wonder if you would take just a few moments to explain it to us.

Hon. Mr. Bennett: Well, it will not take six hours.

Mr. Breagh: You can take six hours if you want.

Hon. Mr. Bennett: If I could have it.

Mr. Breagh: I would just like to hear the full story of how this little deal was put together, and I would like to see the ministerial order at some

point in time, if that would not be too much to ask.

I would like to know why this unusual process, if I could be polite about it, was used in this instance. I would like to know what caused the minister to issue—on his own word, so to speak—the approval that caused the expansion of the mall to proceed. Perhaps you could give us a little bit of the background as to how all this came about.

Hon. Mr. Bennett: Yesterday in the Legislature, in answer to one of your questions, I said that Mr. Goodman, to my knowledge, did not represent Barrie. I guess he represented Cadillac Fairview, along with somebody else. I do not know who the others are. Jim McCallum represents the city of Barrie, and has for a dog's age.

Furthermore, there had been many hours of discussion between Barrie and various other organizations, including the township of Vespra, about the necessity of getting down to some kind of position on the boundary issue. Cadillac Fairview had said very clearly that it wanted to expand the shopping centre, that it had the potential of Eaton's going in there, but that it was not going to expand the centre as long as the uncertainties caused by funding and mortgage arrangements prevailed.

I cannot tell you about all the discussions. I was not privy to what went on between Mr. McCallum and his client, the city of Barrie. However, they had heard Cadillac Fairview's problems. They were very clearly told, "We are doing nothing in this community, so you can lose the assessment for whoever it goes to, and you can lose the more important thing, the employment opportunities—both in construction and within the shopping plaza itself on the completion of the building."

I had made it relatively clear that I was getting to the point where I was going to make a ministerial decision on the boundary issue. I was not going to see the thing proceed through one court hearing after another, to and from the Ontario Municipal Board, or to and from some other tribunal.

12 noon

As I said in my statement in the Legislature back in December, the time was then at hand. The Planning Act said very clearly that if something did not happen by the end of February—I think it was the end of February 1984—all was for naught. The whole case would disappear as far as the previous negotiations, legal hassles, and so on, went. We would be right

back to square one. Everything would fall flat because the act would put it out of existence.

I had made it clear that I was going to make a decision, if they could not arrive at one. I gather Barrie could read that into what we were saying, as could Vespra. I invited the reeve and the deputy reeve and any other members of the Vespra council down, along with the mayor and his council from Barrie, the day I made the statement in the House, which is an unusual situation. The minister is not obligated to go and say to XYZ, "I am going to introduce a bill today that is going to do this or that."

It was a courtesy. I wanted them to know very clearly what the situation happened to have been and what it was going to be. So I can only suggest that Mr. McCallum read into it, and you would have to consult him as the legal counsel for Barrie, what was likely going to transpire in a relatively short period of time. I constantly warned them of two things: I was running up to a closing date in the Legislature; and second, I was running up against the February 28 or 29 date, whatever it happened to be.

So one way or the other, I had to make a decision. Eric Fleming and others had talked with people up there at the municipal level. So I can only say that, because Mr. McCallum happened to be one of the best municipal lawyers in the province, he had to be reading what was going on.

Mr. Farrow: Mr. Breaugh, going back beyond that a little bit, to answer why the minister became involved in the shopping centre: way back, many years ago, I believe in the days of John White, Barrie was concerned about the growth of shopping centres outside its boundaries. As I think the minister mentioned in the Legislature several times, there were 70-odd municipalities that were covered by zoning orders to prohibit shopping centres from jumping outside.

I think from your planning experience you are familiar with the idea of a shopping centre simply going outside of the boundary. It happened in Chatham, we missed it in Chatham; we missed it up in Orangeville; we missed it in Tillsonburg. We got in there after the horses had got away. On a few municipalities we went in and more than 70 municipalities put on the controls. Vespra was one of the ones where the horse got out.

Way back, as I said, in Mr. White's era, Barrie convinced the ministry there were still more horses in the barn so we had better put a zoning order on it. It was the zoning order that was controlling whether or not that shopping centre

could develop or could expand. That is why the minister was involved with the expansion of the shopping centre. It was an application made to him to amend the order which had been put on away back in Mr. White's era to an application to expand.

Barrie said, "Well, we did not want it then, and we do not particularly want it now". They had an objection against it. Everything else had gone through the process except Barrie's objection. Barrie withdrew their objection and the minister has explained that situation.

That is why the application was approved in the way it was. That is why the minister was involved in it. He still has zoning orders on several municipalities. Many of them have been taken off now because the local townships have passed their own bylaws that require municipal board approval before any shopping centre or major commercial venture can go into them. In the Vespra situation, it was still resting with the province of Ontario; that is the situation.

Mr. Breaugh: Well, I do not want to hold up proceedings; I did promise to be succinct and I will, but I want to point out that I have been asking for about six months now about the role of Fast Eddie Goodman in all of this. Every time I ask the question, I get an answer that tells me that Jim McCallum is a good lawyer, I get an answer that tells me that the minister has put orders on 70 some communities around Ontario. So I keep asking that question, and I keep getting answers to different questions all over the place.

It looks as though I am going to have a career asking one question. I intend to pursue that until I get something of an answer as to what exactly was the role played by Mr. Goodman's law firm in all of this. I will not pursue it here today. There are avenues for me to do that.

Hon. Mr. Bennett: I will be very blunt. As far as I am concerned as the minister, Mr. Goodman has been Cadillac Fairview's lawyer for a long period of time, so I am sure he did not become that just for this specific case.

Mr. Breaugh: Exactly.

Hon. Mr. Bennett: I would be remiss or wrong if I did not say to you that I am sure Mr. Goodman has had some discussion with Mr. McCallum in relationship to it.

I make no bones about the fact that Goodman, McCallum and the lawyer for Vespra have spoken to me. Over a period of months, I have talked to them all about this situation. Goodman knew very clearly, as did McCallum and the lawyer for Vespra, exactly the position I was in with the ministerial order. I was not about to lift it

until some clear-cut positions were made on boundaries. I was not going back on provincial policy. In the opinion of the Ontario Municipal Board and of the courts, the shopping centre rightfully belonged to Barrie.

You can go through the court cases. There were technicalities on how things proceeded, and the lawyers did an extremely fine job of making sure they continued to get a fee. Every time they found an "i" not dotted, they went back to another court case. Mr. Breaugh, if you read the OMB decision and the court decisions, the dispute did not relate to the assessment rightfully belonging to Barrie but to other legal complications.

Mr. Breaugh: As I said, Mr. Chairman, I will not pursue it here. I have another place where I can pursue it and I will pursue it there. I am prepared to let this vote carry.

The Vice-Chairman: I believe we have pretty well finished up on the community planning program, vote 2502. Do we have a consensus? We need a vote here.

Vote 2502 agreed to.

On vote 2503, real estate program:

The Vice-Chairman: We will move on to item 2503 and we have less than 25 minutes. The minister has an opening statement.

Hon. Mr. Bennett: Mr. Chairman, as with the previous vote items, I will keep my remarks brief. We have a very short presentation I think members will find interesting and, I am convinced, enlightening. Before we do that, I have a comment on an issue raised at the opening of our estimates debate. It concerns the strategy of this government, as outlined by the Treasurer (Mr. Grossman) when he presented the budget, and refers to sales of provincial land holdings.

All members will recall at our last estimates debate that this ministry, through our real estate operations, had already adopted a policy for the orderly disposal of surplus lands owned by this province, keeping in mind the long-term needs for some of those lands. In fact, I outlined this approach to the standing committee on procedural affairs back in 1982 as well.

I must stress again that does not mean we intend to or will be selling lands holus-bolus. As I have said before, we are not in the fire sale business. Lands will be made available, first, to provincial ministries and other agencies; then to municipalities and regions; and finally, to the public. Our aim is to maintain orderly market conditions and to ensure these lands provide the best use and return to the citizens of Ontario. This

process is part of the overall marketing and development of our land holdings which, along with our mortgage operations, has been very successful both in job creation and in revenue generation for the Treasurer of Ontario.

It is with these latter points in mind I would now like to introduce our next presentation, which relates to the Malvern project located in the city of Scarborough in northeast Metropolitan Toronto. It is a joint federal-provincial project with the province, through the Ontario Land Corp., acting as the active partner. The Ontario Land Corp. was and is responsible for taking the idea and raw land and turning it into a vibrant community providing homes for all income levels; jobs, shopping, schools and churches.

It is an undertaking I am sure you will find impressive. I ask Ken Rovinelli, development manager at the Ontario Land Corp., to take us through the presentation. I will make one further comment. I think Malvern is one of the most successful projects federally and provincially that we have been involved in.

Mr. Rovinelli: Mr. Chairman and members of the committee; in the fall of 1953, the federal and provincial governments entered into a land acquisition and holding agreement. It provided for the acquisition and development of a joint housing project in Scarborough. An assembly of some 1,760 acres was put together and was at the time the largest public land bank in Canada.

12:10 p.m.

Called Malvern, the area is bounded by Highway 401 to the south, Finch Avenue to the north, the Rouge River to the east and Markham Road to the west.

Discussions took place over a number of years between Scarborough, Metropolitan Toronto and the partnership referred to by the minister, as to how the development would proceed. In 1967, a master development plan was prepared to provide a wide range of institutional, commercial, industrial and recreational facilities, and approximately 12,000 residential units. Malvern would be the largest development under one ownership in Metropolitan Toronto.

Development began in 1969 and in 1972 the first residents moved in under the home ownership made easy lot-lease program. The object of this program, and variations on it in future phases, was to provide an opportunity for a wide range of income groups to participate in the housing market. To assist lot leases in achieving this, house designs at the time were modest in size and finish. As the community matured, all

areas of Malvern have become comfortable and it is a desirable place in which to live.

As times changed, so did the demands of the public. These demands have been reflected in different phases of Malvern. Attached street townhouses, such as the one shown here, have been replaced by detached units on the same sized lot. Where in earlier phases more land and less house was desirable, now the opposite is true. A two-car garage has equalled the large backyard as a sales feature.

At the community level, more variation in housing design, material and colour are important. The developer must now ensure this through an architectural control process. This process and the attention to detail in certain key areas is necessary to ensure that sales, in the first case to builders and then to home owners, continue. All of this highlights the notion that people are conscious of the community around them.

Co-operation from the city of Scarborough and builders operating in Malvern has allowed the partnership to maintain a good range in house prices, which spans from \$59,900 for detached townhouses of 900 square feet, to \$144,000 for larger detached houses of 3,000 square feet.

Malvern's housing stock goes beyond low-density, single-family ownership. It covers the whole spectrum of housing forms and tenure within the 7,500 units now constructed.

There are approximately 650 rental units on both high- and low-density lands. There is also condominium ownership, with 550 units built or under construction on high- and medium-density sites. There are 875 units of co-operative housing which have been built, in townhouses, high-rises and stacked units. The balance of homes are in single, semi-detached and street townhouses.

In addition, land has been sold to builders for the construction of an additional 1,100 units in all housing forms. As was mentioned earlier, people buy more than a house, they buy into the community. The financial and sales success of Malvern is a vote of confidence in the community's development.

Let us look at other aspects of Malvern. As population increases, public and separate schools are built on lands sold to local school boards. To date, Malvern has 11 primary schools, one senior public school and one high school. The school and neighbourhood park are always located together and form the centre of each neighbourhood.

Under a special agreement with the city on park land dedication, the partnership undertook

the construction of these local parks because of the pace and timing of development. Our work on park land and open space has been well received by the city of Scarborough. In fact, for the second consecutive year, we have been awarded the Scarborough environment award for our treatment of park land and preservation of natural features.

Land for churches has been planned in the community. We have worked with the Inter-Church Planning Council on allocating the 10 church sites in the community. Large projects needed to facilitate development, such as this bridge over the Canadian Pacific railway, were constructed by the partnership. The extra spans we see here are to accommodate the light rail transit system which Metropolitan Toronto has proposed for Malvern.

The community recreation centre and library, considered the main recreational and cultural focus of the community, was funded jointly by the city and the partnership. The facility contains the community library, two arenas, a gymnasium, community hall and several arts and craft areas with programs for all ages. Outside the centre there are two four-court tennis courts, a soccer and baseball field. This facility is the most comprehensive of a series of three such parks planned for Malvern.

A community-scale retail site is now zoned and serviced for a large shopping centre. The site has been sold to a commercial developer with openings scheduled for the fall of 1985. While population levels increase to warrant this form of comparative shopping, local and intermediate scale plazas fill the day-to-day needs of residents.

Industrial lands were developed as part of the community plan. There are 180 acres of fully-serviced land and 175 acres are sold. The industrial park contains a wide range of industrial uses including condominium and rental units, along with some impressive user-built plants.

There are also some major corporations present, including Dupont, Honda, Promac and Philips. The total employment generated by all industrial and commercial development should amount to 8,000 jobs when complete. This figure does not take into account the large Tapscott industrial district on the border of the Malvern community.

There is now only one major residential phase remaining in the overall development. The area shown here is ready for development. Servicing is scheduled to begin early in 1985. The neighbourhood will contain 670 low-density

units and 322 multiple family units. It will also contain community and neighbourhood parks, two schools, three churches and a neighbourhood commercial site.

Two smaller areas totalling 26 hectares scheduled for industrial and office uses also remain and will be developed on a demand basis. It is estimated that the development will be essentially sold out in 1988. By the end of the 1980s the population maximum of 46,500 will be achieved. A community larger than Barrie or Cornwall will be in place less than 20 years after the first residents moved in.

The Vice-Chairman: Thank you very much.

Mr. Breaugh: What is the commercial venture that has a shopping centre?

Mr. Rovinelli: DSL—Dominion Stores Ltd..

The Vice-Chairman: Gentlemen, we will entertain questions and statements.

Mr. Wildman, if we are going to stay with our schedule, you have 10 minutes.

Mr. Wildman: All right, I will be very brief. I want to ask some questions under services, Ontario Land Corp., in the book, page 151. I am having some trouble with the figures there.

Page 152 shows there is an increase of \$251,000 in the estimates related to the Forest Glen subdivision. I have gone through the figures in the estimates book and I see there was \$60,100 for services last year and there is an estimate of \$311,100 this year, which according to my calculations is a \$249,000 difference.

Hon. Mr. Bennett: Which?

Mr. Wildman: Under "services." What is the reason for the difference between the two figures?

Hon. Mr. Bennett: What was your first one? I am sorry.

12:20 p.m.

Mr. Wildman: It says in there on page 152 that the increase in services of \$251,000 is largely related to Forest Glen. If you look at the estimates book it says last year it was \$60,100, I believe. The estimate is \$311,100, which according to my subtraction is \$249,000, so there is a small discrepancy. I was wondering what the reason for it was.

Hon. Mr. Bennett: We estimated this year to be \$311,100 and we said that in 1983-84 it was \$60,100, which gives you a \$251,000 difference. The preliminary actual in 1983-84 was \$14,100.

Mr. Wildman: If you subtract \$60,100 from \$311,100, you come up with \$249,000. Yet you

said there was an increase of \$251,000. I was wondering what the reason was for the difference.

Hon. Mr. Bennett: If you take \$251,000 and add \$60,100, you will get \$311,100. Is that what you are getting at? I am not following you on this.

If you take \$251,000 and add \$60,100, you get \$311,100 according to my mathematics; I know they are not that great.

Mr. Wildman: You must be right. My concern is not so much with that figure, but to find out two things. One contract is already almost completed in Forest Glen. I want to say the contractors are doing a very good job. I understand there are to be two more contracts.

I have talked to Mr. Weir and Mr. Riggs about this, and I want to know whether the ministry will have the flexibility to ensure that the various aspects of the subdivision are completed by the developer as they should have been.

When I say that I am including the portions of the subdivision which supposedly have been completed but are inadequate. Along the roads there are a couple of ditches that are more like cliffs than ditches. There are drainage ditches that are not draining anything. They have been dropped and have not been landscaped properly. There is a number of other things such as that.

Apparently there is some concern in regard to these ditches that there might not be proper easements. That should have been arranged but was not.

I wonder whether the ministry will have the flexibility and the funds to be able to go in and complete those and rehabilitate them through the Ontario Land Corp., and whether the residents' committee or the residents will be able to have some input or discussion with the Ontario Land Corp. prior to proceeding with those contracts.

Hon. Mr. Bennett: Our original estimates for correcting some of those faults in that subdivision related to virtually everything except drainage. Drainage is now being looked at by our consultants and we hope that we will get something back from them.

In answer to the last part of your question, yes, the public will have an opportunity for input. Whatever the decisions are relating to the consultants' report re drainage will necessitate our going back for additional funds if we are to participate, because we did not make provision for that funding.

Mr. Wildman: That is fine. I do not have anything further.

Mr. Sweeney: I have a question with respect to Pickering. I understand there was a meeting

recently between the tenants there and the Ontario Land Corp. at which they discussed a number of problems. Our understanding is there are still two outstanding problems.

The first is that the Ontario Land Corp. will not extend a lease for longer than one year. The big argument is: "That does not give us any security. We do not know where we are going."

Hon. Mr. Bennett: Are you now talking about farm or ordinary?

Mr. Sweeney: I am not sure. I do not have that breakdown. Can you tell me what it is?

Hon. Mr. Bennett: If we were leasing you a home, it would be on an annual basis. If we were leasing you a farm, which comes through with the aid of the Ministry of Agriculture and Food, it would be for a five-year period with renewals for potentially five years, save and except where we find the land is required for its original purpose.

Mr. Sweeney: Why the difference between the home and the farm?

Hon. Mr. Bennett: The Landlord and Tenant Act covers the home automatically for a one-year period.

Mr. Sweeney: Do I understand that those people would have an automatic right of renewal just like any other renter or tenant under the Landlord and Tenant Act?

Hon. Mr. Bennett: Right.

Mr. Sweeney: All right. The second one then—

Hon. Mr. Bennett: That was explained, John, if I may interrupt.

Mr. Sweeney: That is not the feedback we got.

Hon. Mr. Bennett: Mr. Stan Payne, who is the chairman of the Ontario Land and Mortgage Corp., went up himself. He is fairly knowledgeable in the field of accounting and everything else. He went through it and their biggest complaint was rent.

Mr. Sweeney: That is the point I would like to come to now. If the first part of what you answered explains that concern, if they are bound by the Landlord and Tenant Act with respect to leasing, then they should also be bound by the Residential Tenancies Act with respect to rent.

My understanding is they are being charged the going market rate as opposed to being limited, as any other tenant would be, to the rent review legislation.

Hon. Mr. Bennett: No, but if they want to make that deal with us we would be prepared to discuss it. We are not into market rent. These

people moved in there under very favourable conditions. In some cases we purchased their properties from them at fairly substantial prices. They can argue whether the price is substantial in today's market, but in its day it was very good.

Our rents have been very modest. Some people might be a little embarrassed if the rents they are paying to the Ontario Land Corp. were to be published in a public forum. We have charged them a reasonable rent. When we look at our maintenance, management and all the other things we have to do, and we look after everything for them, it is very difficult to sit here as a minister and say that when somebody has been paid a fairly good price for their land and their house, we should not, as taxpayers of Ontario, be entitled to a fair position on that particular unit.

Mr. Payne went up. I know the group wants to come and meet with me on the issue and I have sent letters off, as have others, making it very clear where we are.

We can give you a copy of a letter Mr. Payne sent to Mr. Neville in Whitevale. I will be pleased to. It goes back to May 10, 1984. Mr. Riggs tells me we have not had an answer back. Someone asked me for an analysis of how we arrived at the grants and we sent it off, as we did when Mr. Payne met with them. I am not sure how much further the taxpayers of this great province—

Mr. Sweeney: Let me try to short-circuit this a bit. Did I understand you to say you would be prepared to negotiate a rental agreement with those people that would come under the rent review legislation?

Hon. Mr. Bennett: No, I did not say that.

Mr. Sweeney: You made some sort of—

Hon. Mr. Bennett: I talked about the Landlord and Tenant Act and its relationship to the duration of a lease.

Mr. Sweeney: I understand that. When I tried to make a connection with the rent review legislation, you said you would be prepared to negotiate with them.

Hon. Mr. Bennett: No, I said we would be prepared to go to market rent, which I do not think they are prepared to do.

Mr. Sweeney: The ultimate question still remains. Why are they different from other tenants? They are not in officially subsidized housing where it is rent geared to income, so it is not that question.

Hon. Mr. Bennett: That is right.

Mr. Sweeney: Why should they be any different?

Hon. Mr. Bennett: Because of the act, and how we acquired the properties and the agreements we made at the time of the act.

Mr. Sweeney: But they are still tenants.

Hon. Mr. Bennett: In some cases they are the original owners and became tenants as a result of the act. That is right; that is how we acquired the properties.

Mr. Sweeney: Are you telling me that in the acquisition of the properties you negotiated a rental agreement?

Hon. Mr. Bennett: That is correct. If you go back to the time when we acquired the properties, some people were allowed to stay in their homes for two years without paying a dime. It was part of the negotiations. Then there were some extensions given, because some deals, arrangements, sales, and so on, had not been completed.

Then there was a very favourable position spelled out in the agreement as to how the rents would come on, but that only had a certain time frame, after which it would go to a more equitable rent position.

Mr. Sweeney: Once you reach that more equitable rent position, at that point why would they not become subject to—

Hon. Mr. Bennett: Because it still was not at a market value rent. It never got to that point.

Mr. Sweeney: But surely some landlords today would argue that their rents are not market value, either.

Hon. Mr. Bennett: No, but they did not start off from a minus 100 per cent position, either.

Mr. Sweeney: There are some landlords of small buildings in my community who have argued that for years. Of course, I try to make them see the other side of it, but that is the point they make consistently. They got caught at the low end of the rent scale and they have been stuck there ever since, with the limitations of rent review.

Hon. Mr. Bennett: We think we have dealt with our tenants in a very fair and equitable manner for many years now.

There are some people out there who are paying rent—and I know when you say this in a public forum it can create some resentment. However, some of the rents that have been paid out there would have caused others in this province to sit back and wonder what it was all about.

Mr. Sweeney: Mr. Chairman, I am conscious of the time, and I think we would just like to spend a few more minutes on this when we come back the next time. It is not going to take long.

The Vice-Chairman: We will further discuss vote 2503.

It being 12:35 p.m. I declare this committee meeting adjourned until next Tuesday at 8 p.m. We are not yet certain about the location.

The committee adjourned at 12:35 p.m.

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Breaugh, M. J. (Oshawa NDP)
Sweeney, J. (Kitchener-Wilmot L)
Villeneuve, N., Vice-Chairman (Stormont, Dundas and Glengarry PC)
Wildman, B. (Algoma NDP)

From the Ministry of Municipal Affairs and Housing:

Beaumont, A., Executive Director, Community Planning Programs Division
Farrow, G. M., Assistant Deputy Minister, Community Planning
Rovinelli, K. B., Manager, Planning and Development Branch, Eastern Ontario



No. R-17

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development

Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament

Tuesday, June 19, 1984

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Tuesday, June 19, 1984

The committee met at 8:07 p.m. in room 228.
ESTIMATES, MINISTRY OF MUNICIPAL
AFFAIRS AND HOUSING
(continued)

Mr. Chairman: Committee members, there is one item I want to clear off, but I do not see any of the people who would be directly affected.

During the summer break we are going to have Bill 101 referred to us, that is, the Workers' Compensation Amendment Act. I have been speaking to all parties and we reached a tentative agreement yesterday with them. I see Mr. Laughren is here now to discuss this. I talked to Mr. Mancini yesterday and Mr. Riddell today as regular members of the committee about scheduling time for the summer activities on Bill 101.

We talked yesterday in terms of three three-day weeks, the weeks of July 9, 16 and 23, which are Mondays. I have had a couple of requests from two or three different groups suggesting we should back it off one week. I think Mr. Laughren would also like to see it backed off to the weeks of July 16, 23 and 30.

I do not think it matters a lot to the majority of the committee which three weeks we meet. We talked of three weeks in July for hearing delegations, then perhaps one week in September for our clause-by-clause discussion.

Could I have some suggestions or recommendations from the committee on which three weeks in July? Then we can go from there.

Mr. Laughren: Mr. Chairman, I personally have two reasons for wanting the weeks starting July 16, 23 and 30, presumably on the Tuesday, Wednesday and Thursday of each of those weeks. Quite frankly, I admit one is personal, because I have scheduled a tour of the north, but that is strictly my own preference. The second reason is that the injured workers' groups would like it to be as late as possible in the month of July.

Mr. Chairman: Yes, I had three calls today.

Mr. Laughren: Unless it is a problem with other members of the committee, that is what I hope the committee will schedule.

Mr. Watson: Mr. Chairman, if you are asking for personal preferences, I do not think I am going to be available until the week of July 23.

That puts it back. I guess what I am asking is, "Please do not have it any earlier." You might have to go a week earlier, but rather than go—

Mr. Chairman: You would rather have it later than earlier.

Mr. Watson: Yes, I would. I think it will be July 23 before I am available, but you can always get someone to substitute. You are open for ideas.

Mr. Epp: Mr. Chairman, I am not on this committee permanently, so do not worry about me.

Mr. Chairman: I talked to Mr. Riddell today; I thought he would be here. I told him we would discuss this at 8 p.m.

Mr. Yakabuski: Is there anything wrong with meeting in the weeks of July 23 and 30 and August 6?

Mr. Laughren: The problem with that is there is a lot of concern by members that we might be into other events and we might want to be back in our own constituencies by that point. Other than that, it does not bother me.

Hon. Mr. Bennett: Good justification.

Mr. Epp: Are you getting married or something?

Mr. Laughren: No, we were thinking of a federal election.

Mr. Chairman: We had an unofficial sub-committee of Mr. Laughren, Mr. Mancini and me yesterday. We thought we would like to keep August available for vacation.

Mr. Yakabuski: Leave August open.

Mr. Chairman: That is right.

Mr. Laughren: Would you like a motion?

Mr. Chairman: I do not think that is necessary.

Mr. Watson: I do not think there is any point in a motion because you have to take your ideas to the whip and fit in with other committees. That is one of the things that has to happen with a couple of us.

The standing committee on procedural affairs has tentatively set its schedule. That committee involves three of the people here tonight. You are not permanent, Mr. Epp?

Mr. Epp: I am here only for the estimates.

Mr. Chairman: All right. It would seem those three weeks, July 16, 23 and 30, are agreeable. I know you would rather wait for another week, Mr. Watson, but we are never going to satisfy everyone. If members wanted any earlier than that, they should have been here at 8 p.m. to so determine.

We will set it up that way. We were talking about three days a week, and I think we can work that out.

The other point we have to determine is the approach. I would like that formalized. The subcommittee of three suggested sending out a copy of the act to those who had responded or participated in any way, shape or form with the previous committee meetings reviewing the WCB act. We would send out copies of the act and some background information to everyone and suggest if they wish to participate in the hearings they should notify our clerk.

Mr. Laughren: Can I make one addendum to that, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Laughren: I suggest copies of the bill go to interested groups in Ottawa. I have already had representations from Ottawa. They would very much like to see the committee hold a hearing there. I do not know what the response would be there, but I urge you to make sure the clerk sends notice of our intentions to the interested groups in Ottawa.

Mr. Chairman: I think it will go to everybody who responded previously.

Mr. Laughren: Okay; including Ottawa.

Mr. Chairman: The 150, or whatever it was, submissions we received would include anywhere in the province. We have a budget of \$8,000 for travelling. We selected three points, Thunder Bay, Sudbury and Windsor.

Mr. Laughren: Hamilton too.

Mr. Chairman: Yes, I understand that. I do not think the committee travelled there in the last round of hearings.

I guess we can work out the mechanics of it when we sit down on the first day, if we want to do some travelling. I know it will make it difficult for the clerk to schedule, and we must have permission of the House to travel. So if we could have that by way of a—

Mr. Laughren: It has already been given.

Mr. Chairman: It has been given?

Mr. Laughren: That is what I understand. When the original budget of the committee went

to the Board of Internal Economy, it approved that budget which included travel.

Mr. Chairman: No, I think what was meant by travel was members travelling back and forth to committee meetings, which is separate and apart.

Mr. Laughren: There is a substantial difference.

Mr. Chairman: Yes, there is.

Mr. Laughren: I would not want anybody to think we were going on a junket to Windsor.

Mr. Chairman: All our travel will be done within Ontario.

Mr. Epp: I thought this was the committee that was going to Stockholm.

Mr. Chairman: Next year we are going to Stockholm.

Hon. Mr. Bennett: Andy had to cancel his week's vacation.

Mr. Chairman: We should have a motion to authorize the committee to travel if sufficient requests come in to warrant it. Could I have a motion to that effect?

Mr. Watson: Where does this go?

Mr. Chairman: Wherever necessary.

Mr. Watson: Do we have to have the permission of the House to travel within Ontario?

Mr. Chairman: That is the purpose of this motion.

Mr. Yakabuski: If we only have three weeks, we do not have much time to travel.

Mr. Chairman: We are not going to travel very far. We might have four or five places to travel to: Thunder Bay, Sudbury, Windsor, possibly Ottawa, possibly Hamilton.

Mr. Watson: Never mind Thunder Bay, why do we not go to Minaki Lodge?

Mr. Chairman: All points north and west.

Mr. Laughren moves that the committee seek the authorization of the House to travel within Ontario for the purposes of discussion of Bill 101, if response so dictates.

Motion agreed to.

Mr. Chairman: Thank you for allowing us time for that discussion.

Where were we when we left on Wednesday?

Hon. Mr. Bennett: We were just coming to vote 2503, were we not?

Mr. Epp: You will recall that when I left on Tuesday, I asked whether the committee might leave vote 2502 because I had some questions I wanted to raise with the minister and it was

agreed at that time that you would not take a vote on 2502, that you would leave that pending my arrival from the big city.

Mr. Chairman: I did not because I was not here. Was that agreed to?

Mr. Watson: Yes, that was agreed to. Certainly we will vouch for that. There is no problem there.

Mr. Chairman: I understand vote 2502 was actually carried, but we will reserve time to reconsider.

Hon. Mr. Bennett: Are we going to look at vote 2503 now? What are we doing?

Mr. Chairman: Are there any further questions on vote 2503?

Mr. Epp: I want to deal with vote 2502, then get to vote 2503.

Mr. Chairman: Apparently we are in the middle of vote 2503. Can we deal with that and go back to vote 2502?

Mr. Epp: Okay.

On vote 2503, real estate program:

Mr. Epp: I did not get a chance to read Hansard on this. Did you deal with the situation in Malvern that is under vote 2503, where interest subsidies in the neighbourhood of \$65,000 were paid to reduce payments of home owners? There is an advance of more than \$8 million to the Ontario Land Corp. under vote 2503.

Hon. Mr. Bennett: Oh.

Mr. Epp: For the installation of services.

Hon. Mr. Bennett: And servicing. We showed a slide presentation and we are opening up the second-last neighbourhood for the development of the land so we can dispose of it.

Mr. Epp: How many acres would that take up? If I am being repetitious of what you covered the other day, then please say so.

Hon. Mr. Bennett: That is okay. We would be glad to respond. It is 1,700 acres.

Mr. Epp: What kind of services were those?

Hon. Mr. Bennett: Water and sewer.

Mr. Epp: Water and sanitary sewers.

Hon. Mr. Bennett: Roads, storm sewers.

Mr. Epp: Were those contracts tendered?

8:20 p.m.

Mr. Riggs: Absolutely. They are all publicly tendered.

Mr. Epp: When you put out the specifications, can anyone tender on those, or do you have a select list?

Mr. Riggs: No, they are publicly advertised.

Hon. Mr. Bennett: In the financial journals—

Mr. Riggs: In the commercial newspapers and in the three newspapers.

From all the large contractors we normally have between six and 10 tenders which are reviewed by our consulting engineer. It goes to the board of directors for their approval. If we do not go to the low tender, we must then refer it to the Canada Mortgage and Housing Corp., our partner in the Malvern project.

In the last five years that I have been here, all approved tenders have been the low tender.

Mr. Epp: One other aspect that falls in this category has to do with the North Pickering project, and the lands that are now being leased back to a number of people who had their land expropriated. There has been some concern expressed over the fact that they want to get more than one-year leases on some of this land, and you are not giving them any more than one-year leases.

The other thing is that the amount of the increases is in excess of what is permitted without a hearing under the rent review act.

Hon. Mr. Bennett: Mr. Epp, some of these were covered the other night, but I will go back to them because I made a mistake in one of the answers.

Let me start with the question of the one-year lease. We indicated the other night that under the Landlord and Tenant Act the lease is virtually in perpetuity, save and except if there are other reasons for the landlord's requirement of the property. We have never entered into anything longer than the normal one-year lease situation, which puts us in a common position with most landlords in the province today.

Mr. Epp: What you are saying, in essence, is that these people can more or less expect to stay in those homes for many years to come.

Hon. Mr. Bennett: We have the provision that if some of these homes are required for any future development, which was the intention in purchasing that land in the first place, that could bring about a reason for the termination of the lease.

Under normal circumstances, where the home or unit continues to exist, the tenant who is there has a perfect right to it on a one-year basis, unless the landlord has reasons—either because the tenant is mistreating the building or property, or because we need it for other uses, which would be the original intention of whatever our planning happened to be.

This is no different, Mr. Epp, from what happens when you rent an apartment or any other rental property in this city. Basically, it is through the Landlord and Tenant Act on a yearly basis.

Mr. Epp: Residential properties.

Hon. Mr. Bennett: Yes. These are principally residential. For farms, we have lease arrangements that go into five years with an additional five years, and so on. That is an option they have because they have fertilizer problems and things of that nature, and they do not want to invest that kind of money if they have a short-term lease.

Let me go to the second question you raised, which concerned rent. First of all, being owned by the public purse under the agreement we have, it does not fall under rent review. We have a number of people still living there who were the original owners of these properties, and, as I said the other night, they were put in a very favourable position by the government at the time we acquired them. In some cases, they got a period of two years absolutely rent free after the heavy capital cost was paid to them. Some even had that extended for various reasons during the negotiation period. Other people have come along since then and rented properties. We have increased the rents accordingly.

Let me give you one example. The total rents received last year in the Pickering project—that is, the rentals for residential purposes—amounted to \$1,432,568. The maintenance costs were \$523,880. The taxes were another \$338,275. So the total expenses came to \$912,155; the difference was \$520,063. But one of the things you have to keep in mind is that the total expenses, from the viewpoint of the ministry and the Ontario Land Corp., do not include any salaries for the maintenance and administrative work and so on. None of those things is there, which would have been a normal situation in anybody else's operation.

Now, let us go to the other extreme and look at what the acquisition costs were by you and I, as people of Ontario. There was the actual purchase price, \$23,487,000. Then there were the other costs that were incurred such as legal costs, some of the planning costs and various other things. That was another \$3.5 million roughly, which gave us a capital investment of \$27 million.

Even if you were to take just a simple interest rate of 10 per cent on that mortgage money, which you would have been entitled to in calculating your rents, we would have been short, as you can appreciate, by a fair sum of

money. The \$520,000 that I said was the difference would appear to put us in a plus position, but that really becomes a negative position in a very quick order when you take any kind of interest, forgetting about salaries or any of the other operating expenses.

Mr. Epp: The point you are forgetting there, though, and I am not suggesting for a moment it would take up the complete difference, is the fact that you expropriated the land and you probably ended up paying a higher price than if there was a willing buyer and a willing seller.

Hon. Mr. Bennett: That is not what you have said before. I do not refer to you personally.

Mr. Epp: I base that on the 3,000 acres you picked up in Cambridge, where the consensus amongst appraisers and others, at the time and in subsequent years, was that you overpaid in that area. I am not saying you, but the ministry, whoever was responsible; Mr. Randall, I guess, was the one who made that decision. They paid in excess of what people thought was certainly the going rate at that time.

To generalize, and I admit to generalizing, you probably paid more than you should have paid in Pickering. Mind you, you were expropriating, and I am not saying those people should not have got what they did, because they were removed from their farms. I am just saying that, in trying to get your money back, you cannot really equate what you have to try to get out of the property later on in rentals and so forth, with what you originally paid for it.

Hon. Mr. Bennett: In the calculations I just gave you, Mr. Epp, I have not taken anything into account for capital. I said the carrying costs of interest on that money alone still leaves us in a negative position of roughly \$2 million or thereabouts.

Mr. Watson: How much of that is farm land and how much is residential?

Hon. Mr. Bennett: This is all residential.

Mr. Watson: There is no farm land?

Hon. Mr. Bennett: Farm land is under another operation with the Ministry of Agriculture and Food. We are at the low end of the market.

Mr. Watson: You were calculating 10 per cent rental. You were doing a rough calculation in your head, as I understand it, but you would not have that rent on farm land you were renting out.

Hon. Mr. Bennett: No, I was not taking 10 per cent on rent. I was saying that if one was to

take just the simple interest on the capital invested and expect to get it out in rent, it would have amounted to a fair amount of dough, \$2.7 million. I was not taking it, Andy, as any kind of a reference to what the rents should be based on.

Mr. Epp: Can I ask you another question, Minister? These people, as you indicated earlier, have almost a licence to stay there in perpetuity, since there is no intention of removing them. Have there been any discussions about other uses of that property, or is that part of that airport development and so forth.

From the standpoint of your negotiation with the federal government, is that dead for the next 30 or 40 years, or where are we with that? Have there been interim discussions?

8:30 p.m.

Hon. Mr. Bennett: Yes. We have the Seaton plan, which is now going through the final process—I should not say through the final process, but it is going through the process of the official plan amendments and so on to accommodate that type of development.

I expect that it will be a few years yet before Seaton comes on stream. There is still a long process ahead. I am sure that Mr. Breagh, and other people who come from the Pickering area, know it is just not going to happen tomorrow. Council wants to be sure that the long-term use is in keeping with the other economic factors of that community, and we do not disagree with that. We do not disagree with that for a moment.

There is no reason why we should try to push ahead with a project that could very well have some financial dilemmas for a municipality. That is not our purpose in life.

However, if some of the other things, that will or could happen east of this metropolitan area, do happen—such as the GO train extension and things of that nature, which will facilitate the movement of people into the Toronto area much more rapidly and economically—we should be in a position to let that type of development take place in order to facilitate living opportunities for people.

We have looked at the rents on some of our properties. As you may or may not know, some of the people have been upset because we went in. The chairman of the Ontario Land Corp., Mr. Stan Payne, met with the organization along with two or three other people from the OLC, and went through the whole situation.

They explained it as well as possible to these people without trying to refer to anyone's specific property. However, he did say that if the rents we are charging on the publicly owned

property are causing any kind of difficulty or financial strain on the family, the OLC board would be prepared to sit and review it.

We left it up to them individually to come forward in their own time, so that it would be handled on a confidential basis rather than spreading it around in a public forum or a public meeting.

I believe we have had four requests for a review. I must tell you that two of them are extremely sympathetic cases. We will take some action to change the rents. These situations have happened as a result of family change, either through death or through severe illness. We will be reviewing them, and there will be positive action taken. The other two are still being reviewed.

We did have A. E. LePage do a market assessment or analysis for us on some of the properties, to try to determine the relationship of the rent we were charging to a market rent for the same facility. In all the cases they looked at, we were either marginally or considerably below what they believed to be a fair market rent for that type of living area.

Mr. Epp: As I understand it, if someone did not want to accept that appraisal they could get their own appraiser and you would pay for that. Was that true?

Hon. Mr. Bennett: No. That was when we were buying the property.

Mr. Epp: Only when you were buying it. Okay.

Hon. Mr. Bennett: It was only when we were buying the property that we went through that whole process. We paid everybody: everybody's lawyers, everybody's assessors—ours included. We hired the Ombudsman to look after it.

Mr. Riggs was saying that, at the time Mr. Payne met with the people, he said: "If you are convinced that our appraisal of the market rent on this property is wrong, and you want to hire an appraiser, be our guest. If you prove ours to be wrong, we will pay, but if we prove to be right, you pay."

Mr. Epp: Okay. I was not aware of that other condition.

Hon. Mr. Bennett: That is fair, I think.

Mr. Epp: Seems fair.

Hon. Mr. Bennett: When we look at the 19 properties that I have here in front of me, the renewal rent for some went from our rent—here is one at \$500, to the market rent they put on it of \$1,000. I can see some others where our rent is \$400 and they figured the market rent was \$425.

There is one here that has a rent of \$630; they say the market rent is \$900. There is one here at \$420, where the market rent was \$450.

I guess the smallest difference is about \$25 and the variations go up to a difference of \$500.

In all cases, the new rent we are charging is, as I said, either marginally or considerably less than what they indicate on a market basis. We are not out to gouge anyone, but I think that you and I, as taxpayers in this province, would agree that when a house is worth X, Y, or Z dollars, we should be getting rent in that range. I think we have given them a fair offer to come back to us if they think we are not being fair to them.

Mr. Chairman: Okay, Mr. Bennett, thank you. Mr. McClellan?

Mr. McClellan: Are we still on vote 2503?

Mr. Chairman: Yes.

Mr. McClellan: I have a question about the Ontario rental construction loan program, which is administered by the Ontario Mortgage Corp. What was the first year of the program?

Hon. Mr. Bennett: Three years ago, in 1981.

Mr. McClellan: In 1981-82?

Hon. Mr. Bennett: It ended on December 31, 1981, did it not?

Mr. McClellan: It ended?

Hon. Mr. Bennett: Yes, that is, applications were due and could be received up until, if I recall correctly, December 31 or December 15. It was in that range.

Mr. McClellan: Okay. I was just trying to get a sense of the time frame. Applications were received up to December 31, 1981, and then that program was closed. Am I correct there?

Hon. Mr. Bennett: I am just trying to remember whether you had to strike ground before December 31. Which was it, Derek?

Mr. Haley: Yes. They would have to have the footings in—

Hon. Mr. Bennett: Would you please come forward? The footings in, yes. I knew there was a difference between the federal program and our own program; I remember there was something. We had to have footings in by December 31, 1981.

Mr. McClellan: December 31 for the ORCL.

Hon. Mr. Bennett: The Ontario rental construction loan program.

Mr. McClellan: Right.

Hon. Mr. Bennett: Let me be honest with you. Some people put in footings and it was six months before they got any further.

Mr. McClellan: That is why I was kind of curious. There are still projects not completed. Why is that? This is a rather leisurely construction program.

Hon. Mr. Bennett: It depends. If you are into a multiple tower situation, you could be—

Mr. McClellan: Four years?

Hon. Mr. Bennett: It would not be four years. It would not be four years until the end of the current year.

Mr. McClellan: So three and a half years.

Hon. Mr. Bennett: There is still some drawdown money to come. They only get 50 per cent at roofline and they get the balance of 50 per cent when the final mortgage is drawn down. Some of these people, with their final mortgage drawdown, may be a little while because it is beneficial not to take it immediately. They can get a deferment on principal and interest payments for a while.

Mr. McClellan: So the applications were all approved under the program, by the end of the calendar year 1981, is that correct?

Hon. Mr. Bennett: Right.

Mr. Breaugh: The truth is that in both the federal and the provincial programs people took advantage of the little loophole of simply putting the footings in the ground, getting the money, and building the thing at their leisure.

Hon. Mr. Bennett: There was no money.

Mr. Breaugh: But they qualified for the program.

Hon. Mr. Bennett: They qualified for the program, but they did not get any money. As I said, they got 50 per cent of the loan agreement at roofline and the balance at the final drawdown of their mortgage. Our financial commitment is only at that point—no prior payment.

Mr. Breaugh: But the reason why, when people drive around their communities, we see all these strange footings in the ground is that we have a federal program and a provincial program based on getting the footings in place by the deadline, and then, "We will finish the rest of this later."

Hon. Mr. Bennett: Yes, and in some cases it was justified. Because of the cost of trying to do winter construction, if they were late getting themselves into the field I think it was justifiable to let them wait two or three months.

Mr. Breaugh: I notice you said in some cases, not most of the cases.

Mr. McClellan: How many applications did you receive, which were approved as of Decem-

ber 1981 and which did not result in successful projects? Do you have any record at all?

Hon. Mr. Bennett: I do not think it was many, but I do not have that figure with me. Mr. Riggs thinks it was maybe half a dozen.

8:40 p.m.

Mr. McClellan: Were there any projects for which loan funds were advanced which were not successfully completed?

Hon. Mr. Bennett: Yes.

Mr. McClellan: Can I have a list of those?

Mr. Riggs: We can get a list of those.

Mr. McClellan: When can I have that?

Hon. Mr. Bennett: Tomorrow some time.

Mr. McClellan: How many were there?

Hon. Mr. Bennett: Mr. Riggs thinks we are talking about half a dozen that did not proceed or that went into default.

Mr. McClellan: Were the moneys recovered?

Hon. Mr. Bennett: We still have the mortgage.

Mr. McClellan: You are holding the papers?

Hon. Mr. Bennett: We will get the information for you rather than trying to answer off the cuff.

Mr. McClellan: Sure, that is okay.

Hon. Mr. Bennett: There is one, in Sault Ste. Marie, where Mr. Riggs believes we did not recover our funding.

Mr. McClellan: I will wait until we get the complete package of information. Would you try to indicate when you are sending the information what the ultimate outcome was, with regard to the value of any paper which you are left holding.

Mr. Epp: This program where you permit the footings to be put into the ground so as to get the benefit of certain programs is really abused. Something else has to be done. About two or three years ago, in the city of Waterloo, an insurance company put the footings in the ground under the multiple-unit residential building program and those footings are still there. Nothing has been done. Nothing has happened. Eventually the company will take advantage of it.

Hon. Mr. Bennett: It had better hurry up because the MURB program ran out. Was it last December or this December?

Mr. Haley: While the footings are there, the company is still eligible for the MURB.

Hon. Mr. Bennett: But there is a cutoff date.

Mr. Haley: Yes, there was a cutoff date. I am not too certain what it was.

Hon. Mr. Bennett: I do not recall.

Mr. Epp: Nothing has happened there yet, and it has been three years.

Hon. Mr. Bennett: In our case, they could put the footings in; but what were the terms of reference about construction? I must admit I forget the details now.

Mr. Haley: They had to proceed to completion. We expected that.

Hon. Mr. Bennett: We gave them a completion date.

Mr. Haley: I think in September 1982 we gave them a notice that construction had to be proceeded with or the commitment would be cancelled.

Hon. Mr. Bennett: We took the initiative to alert them. It was fine for a procrastinator, for reasons maybe of arranging financing or whatever else it might have been.

Mr. Epp: I can understand six months, or maybe even a year, but when it is getting to be this long.

Hon. Mr. Bennett: As Derek Haley said, he gave them notice eventually. If the work had not commenced—and I thought it was by the end of December 1982 or something, but I forget.

Mr. Haley: We sent all of them telegrams, if I recollect, in August 1982. We got a lot of excuses, of course, and we finally gave them to the end of the year, and that was it.

Mr. McClellan: Aside from the half dozen or so for which funds were advanced but where for various reasons construction was not completed and about which we are going to get some information, have there been other projects, under the ORCL program, that have been in default of their mortgages?

Mr. Riggs: Yes, there are about three projects we know about. I believe two are in default. At the moment we are continuing to follow up on them because of the circumstances surrounding them.

Mr. McClellan: Can I obtain information about the identity of those projects too?

Mr. Riggs: Absolutely. These are small projects, where apparently third mortgage financing was registered. We are concerned about the circumstances, but have advised the Ministry of Consumer and Commercial Affairs and asked them to follow up on this matter for us.

Mr. McClellan: You have the experience now of using the Ontario Mortgage Corp. Was this the first program of this kind using the OMC as a banker for private-sector development?

Mr. Riggs: No, we have been involved in other rental programs previously, going back well before that time. Mortgage corporations have been started both in rental housing and in home ownership from time to time.

Mr. McClellan: On the basis of the experience you had with the ORCL program, would you do it again on this basic design? What kind of lessons have you learned from it, as far as you are concerned?

Hon. Mr. Bennett: I think we would do it again. One of the big problems we would have if we were to do it today is that the \$7,500 would have to be nearly tripled to entice people into the construction field. You would have to be talking \$18,000 to \$22,000 today. I am not sure the Treasurer (Mr. Grossman) would be easily convinced that he would want to get quite that steeply into interest-free loans for the period we were talking under ORCL.

The program itself achieved basically what we had set out to do. We are always aware of the fact that there are going to be certain problems. As careful as you can be in assessing the capabilities of the individual who is going to build, you are likely to run into a few defaults. We are no different to the Mortgage Insurance Co. of Canada, the Canada Mortgage and Housing Corp. or the banking institutions.

The majority of our loans or mortgages, whatever you wish to call them, have been extremely well serviced by the recipients. We were successful in putting a number of rental units in place across Ontario and taking up some of them for rent-geared-to-income purposes. We really felt we should have this program, putting 14,000 to 15,000 units in place in this province, at a time when things were a little soft—indeed, when interest rates were escalating at an unrealistic or unprecedented pace.

You learn some things. Yes, you learn from it. You might very well make a few more demands upon the builders.

Mr. McClellan: What kind of demands?

Hon. Mr. Bennett: You could get into further restrictions on location; in other words, have selected communities. You could target the area you want serviced.

We tried to be a little more generous in looking at communities where they might not have required rent-geared-to-income housing but required some rental accommodation. We were very open about accepting applications from most communities in the province. We might target that a little more specifically in another program.

Mr. McClellan: Are you talking about the number of rent-geared-to-income units?

Hon. Mr. Bennett: No, I am just talking about units, period.

Mr. McClellan: You are talking about location?

Hon. Mr. Bennett: Yes, that is correct.

Mr. McClellan: What about the other question then? Quite frankly it does not make sense to me that you would take \$90 million and make it available as interest-free loans with a very generous repayment schedule for a net gain of around 10 per cent of your units on a rent-geared-to-income basis. You explained this briefly to me when I raised it in the leadoff, but I confess not to have understood you.

Why would you not take that \$90 million and make it available on a subsidized-interest loan basis to the nonprofit housing developers? Obviously you are going to give them more money per unit—I understood that part—but you can also require that they build triple, four times or five times the number of subsidized units up to 50 per cent—whatever the figure you want to pick, 35 per cent, 45 per cent, 50 per cent.

Thus you end up with: one, housing units that are targeted precisely, because they are being supplied by municipal nonprofits, co-ops or private nonprofits; two, you have, not 10 per cent of the units available on a rent-geared-to-income basis, but really as many as you are prepared to instruct them to provide. You would not have as many units overall for the same \$90 million—you are not going to have 14,000 units—but you would sure have more than 1,000 subsidized units.

8:50 p.m.

I do not know what the economics are precisely, so I cannot predict whether it will be 8,000 or 9,000 or 10,000 or 6,000 units. Even if it is 6,000 or 7,000 units, you are still much farther ahead on the issue of targeting for providing housing for the people who are on the waiting list, targeting it to the communities where there is the greatest need and making sure that the public money that is expended is used most effectively.

Hon. Mr. Bennett: Public money that was invested, that is correct. Indeed, if you want to look at the whole problem in relationship to the municipal nonprofits, private nonprofits or co-ops, there was nothing to stop them from applying for the funding, not a thing. But there was absolutely no way that I could afford to give them a 100 per cent mortgage on the structure at a

write-down interest rate of two per cent, absolutely none. That was the federal program. That what has made it successful for them to operate under the federal auspices with the province participating.

The other thing is, as I suggested to you earlier, that the number of units we have taken from the ORCL—Ross, let me tell you, there are only so many dollars.

Mr. McClellan: Sure. I am assuming you have your \$90 million.

Hon. Mr. Bennett: Forget about the \$90 million for a moment.

Mr. McClellan: Why? That is what you had.

Hon. Mr. Bennett: We had more than that. At the time we had budgeted roughly for \$100 million. The fact remains that I would have been into ORCL with nonprofits and so on, in writing their interest rate down to two per cent. That is what makes them function effectively under the federal-provincial program: writing the interest rate of their mortgages down to two per cent, the difference they get to go towards operating and to subsidized rent on all units, not just on the rent-geared-to-income units. It would have taken a great deal more than \$90 million to try to entertain that kind of program on a singular provincial basis. Certainly it would, because our target was to try to get—

Mr. McClellan: We are talking about 14,000 units.

Hon. Mr. Bennett: But you missed the point. We were not out singularly to provide units because you thought it was right that we should not only be looking at rent-geared-to-income. We had to be looking at the moderate income rentals. That is why we put a maximum unit price on the apartments, to try to provide some units at a moderate rental rate.

We were not out to do 100 per cent or 50 per cent of the units in rent-geared-to-income.

Mr. McClellan: Obviously.

Hon. Mr. Bennett: Just a moment now, I listened to your question. Because if I am going to take 50 per cent of the units, 40 per cent of the units or 35 per cent of the units, I have to have an allocation from the federal government for the rent-geared-to-income units. If I do not get the allocation from the federal government, then there is only one other conclusion you can come to. That is that the province picks up 100 per cent of the subsidy on rent-geared-to-income housing. We were not prepared to do it.

We have been in this federal-provincial government program for a number of years.

When we put ORCL together, I suggested to Mr. LeBlanc that since we were putting up the principal sum, he could extend to us, as the provincial government, the power to take up a percentage of units in the ORCL on a rent-geared-to-income basis on the same principles that he was using for the Canadian rental supply program. That would mean he could allow us, not only Ontario but the other nine provinces as well, to take up to a third of the units under the CRSP program, but they would not be billed against your allocation. In other words it was a bonus. I asked for the same thing, but it was not extended to us.

I think the ORCL program would not have been as effective if we had tried to designate or direct it singularly to the nonprofits and so on. We would have run out of money very early. Again, I do not know where I would have got the allocation.

I get into a catch-22 position. In Ottawa this year there were a great number of rental units available to us from the private sector on a rent-geared-to-income basis. I used the allocation to take up those units; I got hell for it, because it did not allow the municipal nonprofit organization to build all of the units.

Last year I did the reverse. We let them build it and we did not take them up in the rent-geared-to-income segment in a rent supplement program and I got hell for that too.

One year I go one direction, and I get hell for it. The following year I go in a direction opposite to that for which I was criticized the previous year, and I get hell for doing that.

Mr. McClellan: You must be doing something wrong.

Hon. Mr. Bennett: No. I am likely doing something right. It is just that there are other forces which would like to keep you confused.

Mr. Epp: Somebody wants to make you feel at home both years.

Hon. Mr. Bennett: I guess they just want to let you know they are listening to you.

But Ross, to try to direct the money only into municipal nonprofit, and so on, would not ultimately achieve the goal, because we could not have found the type of funding, nor did I have the rental allocation from Ottawa.

Mr. McClellan: I understand what you are saying. I agree that you are in something of a catch-22 situation because of the federal housing policies.

I do not have the slightest clue where you guys are going in the provision of affordable housing.

We can talk about this tomorrow when we get to the community housing vote. However, we hear from the private development industry that they cannot afford, under current economic conditions, to build affordable housing. Basically, all they can build is luxury housing, mostly for the condominium market.

You are saying that Ontario cannot afford to build social housing on its own. The federal government is refusing to put adequate allocations of federal funds into the social housing program, so we have a three-way stalemate, as I see it. I do not understand who is going to lead us out of that.

All we see is escalating waiting lists. We see a decline in projected housing starts. We hear the private development industry screaming the blues, saying they are going to take their marbles and go somewhere else unless we abolish rent control, which everybody knows is not going to happen unless we bring in a shelter allowance program—which everybody knows is also not going to happen.

You are saying you cannot do anything. The feds are saying they will not do anything.

Hon. Mr. Bennett: No, no.

Mr. McClellan: Well, what are you saying?

Hon. Mr. Bennett: We did not say that we could not do anything. That is not right at all.

Mr. McClellan: All right. What are you saying?

Hon. Mr. Bennett: We went into the Ontario rental construction loan program and got a fairly positive response from the private sector. It clearly indicates that the private sector needs a great deal of interest-free money to make even moderate rental accommodations work in this current economic situation.

We have been through it. Under the Canada rental supply program, the Canada Mortgage and Housing Corp. is attempting to do the same thing at the national level.

I would have been delighted to have gone into a co-operative program with the federal government involving ORCL and CRSP, to try to make it a more effective and positive program in the province. My initial request of the federal minister to do that was not well received. Therefore, the co-operative program between Ontario and the federal government did not come about.

I would suggest to you that doors appear to be opening. I will not go any further than that, because we are—

Mr. McClellan: Sure. If you are negotiating, you are negotiating. Très bien. One can speculate that there will perhaps be a new minister of housing in the next federal cabinet.

Hon. Mr. Bennett: Ask Mr. Epp that question. Do not ask me.

Mr. Epp: I really cannot tell you. I have been asked not to tell anyone, so—

Hon. Mr. Bennett: What are you doing, smoking?

Mr. McClellan: He is just puffing.

Mr. Havrot: He does not inhale.

Hon. Mr. Bennett: He has been blown all to hell since that convention in Ottawa.

Mr. Epp: I have done this for years.

Mr. Chairman: Any other bad habits you picked up?

Mr. Epp: No, they were all good.

Mr. McClellan: When the minister says, rightly, that the private market cannot economically build affordable housing without interest-free money, I believe him.

What is the subsidy per unit? Have you calculated the subsidy per unit to the developers who received ORCL loans?

Hon. Mr. Bennett: It is around \$7,500, depending on the interest rate we are paying at the time. There is a maximum of \$7,500, and it could drift in a downward direction, depending on where the interest rate on the mortgage eventually came to rest. Mr. Riggs tells me that the average is now under \$6,000 instead of \$7,500. That is part of the reason why we did not use up all of the allocation.

Mr. McClellan: That is without calculating tax expenditures, deductibilities, and that kind of thing.

Hon. Mr. Bennett: Are you talking about the MURBs?

Mr. McClellan: Yes, all the different kinds of deductibilities that are available—

9 p.m.

Hon. Mr. Bennett: I could not tell you. It would be difficult for us to do an analysis because of the way each corporation calculates its taxation position.

If it is \$6,000, and there is, let us say, 12 per cent interest, you have a rough idea of what it is costing you per year, and you can divide that by 12—or, obviously, you have your monthly subsidy from the province.

We know from our talks with the industry, and the analysis the people in the Ministry of

Municipal Affairs and Housing do in construction, we are relatively close to it. With the difference between economic rents and market rents—being the cost of doing the building and all those things, versus what one is able to get from the marketplace—it is very easy to require a subsidy of not less than \$250 per unit in a metropolitan area like Toronto or Ottawa. That is a minimum.

Mr. McClellan: The subsidy is \$250 per month?

Hon. Mr. Bennett: Per month. Some of them will take at least another \$100 a month just to come into that marketplace, because of land costs, construction costs and whatever else.

To some degree we might be talking about the Canada rental supply program. As I have said before, and I do not mind repeating it, one of the faults of CRSP is that there was not enough control taken on unit size and maximum unit price. As a result, when it came to try to pick up some of the units for rent-geared-to-income people, the market rent was so high from our point of view, even though we were only paying 50 per cent, the subsidy factor became absolutely ridiculous.

We tried to get the federal government to agree to something I thought had some advantage to it. I think the bureaucracy at Canada Mortgage and Housing Corp. became stuck in the mud and did not want to budge. We had developers who were putting up CRSP buildings in which a third of the building could become part and parcel of rent-geared-to-income.

We knew the rents were going to be much higher than we thought would be acceptable from the subsidy point of view, and they offered to give us a tradeoff. If they had 50 units in the new building, they would give us 50 units in some of the other holdings they had in the same community, which were at a considerably lower rent and would have been much less expensive for the taxpayer in subsidizing the rent. The CRSP problem would have been the same, but the subsidies in rent-geared-to-income would have been considerably different.

We could not get CMHC to budge. At least, to this point it has not budged on that particular situation. I think it was rather sad, because it would have helped considerably.

Mr. McClellan: I have just one more question.

Mr. Chairman: Before you pose your question, we did agree last Wednesday to deal with community housing, vote 2504, this evening. I do not know how much time that is going to take.

Mr. McClellan: We are talking now about some of the things I wanted to raise.

Mr. Chairman: Do you want to raise them under the next vote? We should dispose of that; we agreed to dispose of it.

Mr. McClellan: Let me just ask one more question.

Mr. Epp: How long are you going to be?

Mr. McClellan: I do not think too long; I do not know.

Mr. Chairman: Now there is a commitment for you.

Mr. McClellan: We will have the entire morning tomorrow to do municipal affairs and we can do housing again on Thursday night.

When you said the subsidy per unit under the Ontario rental construction loan program was initially \$6,000 per unit, that is over the life of the 25-year mortgage?

Hon. Mr. Bennett: That is 15 years interest free, with the last 10 years being the time that the principal is paid.

Mr. McClellan: Just explain to me how the interest is calculated on the final 10 years. Can you do that?

Hon. Mr. Bennett: There is no interest in the last 10 years.

Mr. McClellan: The whole thing is interest free?

Hon. Mr. Bennett: It is all interest free for the 25 years. The principal is repaid in the last 10 years in equal annual payments.

Mr. McClellan: That seems hard to accept. The total subsidy from you then is only \$7,500?

Hon. Mr. Bennett: It is \$7,500, which is a mortgage; that is the mortgage loan. In other words, if it cost \$50,000 to build a unit, we gave the person \$7,500 towards that capital cost, which was a second mortgage to Ontario Land Corp.

If you were looking at it in the economic terms of today and looking at interest rates of 12 or 13 per cent, every six or six-and-a-half years you have really forgiven enough interest that would equate to the principal.

Mr. McClellan: Right, that is what I was trying to get at. What I am trying to get at is the real cost. Have you calculated that?

Hon. Mr. Bennett: It depends what you want as cost. Are you referring to how much interest we have given up?

Mr. McClellan: Yes. Precisely.

Hon. Mr. Bennett: Obviously we can rhyme that off in a relatively short period of time, put it through the calculator and come up with it, the same as you can with a pen or pencil.

Mr. McClellan: I am not very good at that.

Hon. Mr. Bennett: I do not know what you want to get to.

Mr. McClellan: I am just trying to understand how much this thing cost the taxpayers of Ontario in dollar terms.

Hon. Mr. Bennett: In dollar terms, let me go to the other point. If I had taken the advice of some and given a grant of \$7,500, it would have cost us \$7,500 off the bat and we would forget about it.

Mr. McClellan: Yes.

Hon. Mr. Bennett: The fact is that I said no, I think there should be an obligation upon the individual or individuals, whoever happens to own it, to pay back to the government of the province at least the principal sum. When I calculated it for the government, I said it is the same thing as writing off \$90 million, except that down the road you will get it back. Now what you want to get into is the calculation of the fact that they have had it for 25 years interest free.

Mr. McClellan: Sure, that is what I want to know.

Hon. Mr. Bennett: Then it is \$90 million.

Mr. McClellan: Without any interest calculated in.

Hon. Mr. Bennett: If I had given the grant, it would have been \$90 million.

Mr. McClellan: When your officials are preparing this information for me around the numbers of projects that were funded and not completed—

Hon. Mr. Bennett: Yes, except that I want to make it very clear that I think you are headed in a direction that does not make a hell of a lot of common sense. If I had taken the initiative that some wanted me to do, which was to give the money in the first place—give it and be done, no accounting, nothing—it would have been \$90 million.

Mr. McClellan: Yes, but it was not.

Hon. Mr. Bennett: The fact is I am not collecting any interest, so it is not costing the government any more than the \$90 million, and they are getting that back over a long period of time.

Mr. McClellan: That is one way of putting it.

Hon. Mr. Bennett: Leave it to your researchers to do the calculation.

Mr. McClellan: We can do that, but that is a funny way of calculating government expenditures. If you are operating as a bank, you are using the Ontario Mortgage Corp.

Hon. Mr. Bennett: I would not want you to say that in the federal presence.

Mr. McClellan: There is no federal presence here.

Hon. Mr. Bennett: We have not got a charter yet.

Mr. McClellan: You are operating the Ontario Mortgage Corp. as a bank; you are giving 25-year interest-free mortgages, and I am asking you—I am sure your officials can easily figure this out, much more competently than I can—how much you are giving by way of an interest rebate, an interest holiday.

Hon. Mr. Bennett: And I am telling you what I gave them. In my opinion, I said to the Treasurer we are giving them \$90 million. Period.

Mr. McClellan: So you do not want to calculate this for me?

Hon. Mr. Bennett: I am not going to calculate it; it does not amount to a damned thing; it does not mean anything. I could have given the grant, but you would have been the first person up on your feet to say we should not give a grant, that somebody should be obligated to repay it. And I agree. We do not do that very often, but I agree they should repay it.

If you are trying to get me to say we have got XYZ interest that could have been collected on this money, I say the XYZ interest would not have been collected if I had given it as a grant. It is six of one and half a dozen of the other.

Mr. McClellan: Of course, you did not give it in a grant, you gave it in a mortgage. Second, you are saying, on the other hand, that you cannot possibly afford to make interest write-down mortgages available to the nonprofits, because you cannot afford it.

Hon. Mr. Bennett: You are talking about interest write-down on 100 per cent of the mortgage for 35 years.

Mr. McClellan: The difference is between guaranteeing your mortgages from the money markets and writing down the interest rates and operating the Ontario Mortgage Corp. as a bank. You have chosen the more, might I say, radical step of using the Ontario Mortgage Corp. as a bank to give interest-free mortgages.

Hon. Mr. Bennett: Perhaps you would sooner I had said to them, "Instead of \$7,500, we will do your \$55,000 or \$60,000 unit, we will charge you two per cent interest and we will write off all the rest of the interest annually for 35 years."

Not only would we have found it absolutely financially impossible, we would be in the same boat as the federal government, which is trying to get out of the program because it is costing far too much.

I was not about to do that. I think I have a little better knowledge of financing than that.

9:10 p.m.

Mr. McClellan: We will be interested to see what you come up with in your negotiations. As far as I am concerned, you are in a very black or white situation. Either the public sector—and I would hope that would be you and the feds co-operatively—will fund the nonprofit housing developers to build affordable housing, or we will not have any affordable housing, because the private sector is not going to do it.

Hon. Mr. Bennett: I did not say nonprofit. Now, let us get it straight.

When I said that I was in negotiations with the federal government, it did not relate to profit. It did not relate to municipal nonprofits or co-ops. We are talking about being involved in some dealings between the CMHC and ourselves that will likely relate back to the private sector. That is what the Canada rental supply program is for.

Mr. McClellan: Yes, sure, and we all know how lousy the CRSP program is. You just finished telling us about that.

Hon. Mr. Bennett: I did, and one of the things that caused some of the problems with the CRSP program is the fact that it did not get— I will tell you very honestly, if the Ontario rental construction loan program were introduced today, and the MURBs were still around, it would work rather successfully. The MURBs are not around and that is what made the program even less attractive to the private sector.

Mr. Chairman: It seems to me that you asked a question, and you got an answer—perhaps not a satisfactory one. Can we prepare to move on now? Are there any further questions on vote 2503, the real estate program?

Mr. Breaugh: Let us carry this vote, and then we will quit.

Mr. Boudria: Is this the proper vote on which to ask a question about municipal nonprofit housing?

Mr. Chairman: Yes.

Mr. Boudria: Thank you. Is it this one, or the next one?

Mr. Chairman: On vote 2503, which relates to real estate, items 1 to 6, do we carry?

Mr. Boudria: One moment, please. Mr. Chairman, can I ask a question on the Ontario Land Corp.? That is under this vote, is it not?

Mr. Chairman: Yes, it is.

Mr. Boudria: It is in regard to Carlsbad Springs Holdings, Minister. As I understand it, your ministry, or the Ontario Land Corp., has disposed of some of the land to the Ministry of Natural Resources at the present time—some 643 hectares, if my information is correct. You disposed of some of your holdings, but you retained the majority of them.

I do not really know which ministry this should be addressed to. However, from the discussions you had with the Ministry of Natural Resources, it seems as if that ministry has taken over some of the land—in a paper transfer, I suppose, but nevertheless they are reforesting prime agricultural land at the present time. They are planting trees on class 3 and class 2 agricultural land there.

I am just wondering, Minister, if you or your officials were aware that this was what that land was going to be used for at the time it was transferred. If you were, why was it not sought to return that land to agriculture, rather than to use it for that purpose?

The difficulty with this whole process is that, whenever farmers themselves attempt to plant trees on their land, the Ministry of Natural Resources is usually quite quick to say: "This agricultural land is too good for that purpose. You cannot do that with this kind of land. We will only entertain such a proposal for a forest management agreement," or whatever they have, "on lesser quality land."

I know some of the lands, and I know the Minister is personally very familiar with those lands because they are near our communities. I feel that what they have done with some of that land is unfortunate. I know it is better than paving it over, or doing something like that, but the farmers in the area do not really think much of the proposal.

I recognize that this question may be more appropriately asked of your colleague. My question to you is simply, did you know that this was the purpose?

Hon. Mr. Bennett: Yes. It was announced in the Legislature.

Mr. Boudria: That the purpose would be to plant trees on prime agricultural land?

Hon. Mr. Bennett: That is right. However, it is not prime agricultural land. It has never been classified as such. As the Mer Bleue, and so on, is there, I think I know that land a little bit. I sure do not profess to know every square inch of it.

Mr. Boudria: I have a map of your holdings, Minister, and I phoned your officials and the Ministry of Agriculture and Food offices, and there is quite a bit of class 3 agricultural land which is going to be used for this purpose. This was class 3 agricultural land before it was drained; the Ministry of Natural Resources has drained it with tile drains, which probably brings it up to class 2, maybe even class 1. Now the ministry is going to plant trees over it.

Hon. Mr. Bennett: That would be difficult. Now, I am not an agrologist or whatever you call it, but if you are telling me that just draining land is going to bring it from a class 3 or 4 up to a class 1, I—

Mr. Boudria: Not class 4, no. Not class 4 to class 1.

Hon. Mr. Bennett: There are four classes of lands in there. I do not profess to know all of the lands, but we know what the terrain is, we know it was la Mer Bleue, and if you say you have some farmers who would like to buy it back from us, we would be delighted to sit down and discuss it, but we are not into a fire sale.

Mr. Boudria: No, I recognize that. I do not think that, as a representative of the taxpayers myself, I would suggest you should be into a fire sale. I think all of us want the government to dispose of whatever holdings you have at reasonable prices, on behalf of the taxpayers.

Having said that, though, if you are going to be selling agricultural land, I am sure you are going to be selling it for agricultural prices, not high-rise prices. They are two different issues. Of course, you know that. You are the Minister of Municipal Affairs and Housing and you know this far better than anyone else.

Hon. Mr. Bennett: We will sell it at market price.

Mr. Boudria: Market price for agricultural land?

Hon. Mr. Bennett: Market price. That is what it is zoned and classified for. That is what it would be marketed for.

Mr. Boudria: My understanding of market prices, Minister, is that you would put it in the hands of a real estate agent and would get

whatever the market will bear, and that constitutes the market price.

The chairman has some involvement in that area, having been in the business he was in. Were you not in the construction or real estate business?

Mr. Chairman: Unfortunately, no.

Hon. Mr. Bennett: Something a little different from real estate.

Mr. Boudria: Having two real estate agents in my house, I do see them occasionally. I understand that the farmers who have approached the Ontario Land Corp., in an attempt to buy land for agricultural uses, were told, "We are not really interested in disposing of it at prices in and around agricultural land prices, because you would want to hold on to it for a while in the hope of getting better prices."

Hon. Mr. Bennett: I think I outlined to you in a very careful way just a minute ago that we are not in the business of a fire sale. Some people think that, because the government of Ontario has this land, we want to get rid of it right away.

We are no different from most. We will wait for the market to change. If economic times were not good and you and I had that kind of an investment there we would sell it eventually.

Mr. Boudria: Well, we do.

Hon. Mr. Bennett: I beg your pardon?

Mr. Boudria: I said we do. I am the representative of the taxpayers.

Hon. Mr. Bennett: Do you believe we should give it away in a fire sale?

Mr. Boudria: No, no. But we have the investment. You were saying if you and I had the investment. We do, as representatives of the taxpayers.

Hon. Mr. Bennett: That is what I mean. That was my point. You and I have the investment there. The fact remains that the farms we sold, the lands we sold to the Ministry of Natural Resources, were lands that were not being cultivated, were not being actively farmed by anyone. We could not get them leased.

Mr. Boudria: You mean to say that the William Smith farm on the north half of lot is not a viable agricultural entity?

Hon. Mr. Bennett: I am not going to get into specific names. My understanding is that we rented to the Ministry of Natural Resources, the lands that were not actively cultivated.

Mr. Boudria: If you ever have the chance, go over and see some of those holdings, Minister, one weekend when you are back in Ottawa.

Hon. Mr. Bennett: That is every weekend. Even last weekend, and it was not certain things that attracted me there outside of my constituency.

Mr. Boudria: If we can get away from that nonsense for a minute. This is serious stuff, Minister.

Hon. Mr. Bennett: You have captured it. Everyone agrees with you about all that nonsense.

Interjections.

Mr. Boudria: Can I proceed?

Mr. Chairman: Yes. Try it from a different angle.

Hon. Mr. Bennett: I will go and sit on the other side.

9:20 p.m.

Mr. Boudria: No, I am serious, Minister. I had a meeting there with a group of farmers and they were very disappointed that they could not acquire some of this land. Yet it was transferred from one ministry to another and planted over with trees while they were there and ready to cultivate it. That is a difficult position for any farmer who has been farming in that area, to accept.

You may say the Ministry of Natural Resources has given you more money, but those are paper transfers from one agency of the government to another. Just what that kind of a transaction is worth in actual terms, I do not know. Are you saying that the Ministry of Natural Resources gave you more for that land than farmers would?

Hon. Mr. Bennett: I did not say that. The Ministry of Natural Resources paid for it. It was through their estimates. It was not a paper transfer. In other words, it was not just a book entry, because the Ontario Land Corp. does have mortgages against some of this land. As a result, we do have the obligation of repaying or paying them off as well when we sell them to whoever buys it.

Do you have a list of farmers who say they came to see us and we would not negotiate with them? I would be delighted to know who they are, what their offers were and what they were offering to do.

Too often I hear about people who want this and that. When you get down to the fine detail of it, you start to find out yes, they came in but they were not being very realistic. They thought, as taxpayers of this province, that because we happen to have the land, because the government

is controlling it, all of a sudden we were going to roll over and play dead on the subject.

I do not know what the offers were, but if you want to get them and give them to me, I would be glad to go back through the records and see why we did not act.

Mr. Boudria: If I got you the names of those people, would it be possible that they could have a meeting with you or something like that?

Hon. Mr. Bennett: They can certainly have a meeting, but I want to see what it was they proposed. I am not going sit down and just have meetings for the sake of taking up somebody's time. I want to know what it is they proposed, so I have some idea where we were in the negotiations, if that is how serious it became.

Mr. Boudria: You say the Ministry of Natural Resources gave you more money than farmers would.

Hon. Mr. Bennett: Let me repeat, I did not say that.

Mr. Boudria: Clarify that.

Hon. Mr. Bennett: I am not clarifying a thing. You were the one who used the statement and I did not say that at all.

Mr. Boudria: Okay, what is it?

Hon. Mr. Bennett: I said that the Ministry of Natural Resources—

Interjection.

Hon. Mr. Bennett: That is right.

Mr. Boudria: What is right?

Mr. Breaugh: It is a good thing we are writing all this down.

Interjections.

Mr. Boudria: What is it? I am sorry, I cannot hear the private conversations. Would you explain it to me?

Hon. Mr. Bennett: This was not John White's letter.

The fact is I never implied that the Ministry of Natural Resources gave us more money than anyone else. Do you know the sequence of events we have in disposing of surplus lands owned by the government?

Mr. Boudria: Yes, I have been informed of late. I did not know what it was.

Hon. Mr. Bennett: The ministry has to go through this sequence of events: offering it to other ministries; from other ministries to other governments, whether they be municipal or regional or federal; and eventually back to the private market if no one in any of those public

categories requires the land for whatever projects they wish to undertake.

Mr. Boudria: As a person who is interested in the preservation of farm land, I think that procedure works backwards in the case of agricultural land.

When you are holding land in the city and you offer it to other ministries or other governments first, maybe that is the way to do it. If you are talking about good agricultural land, I think that if it was taken out of farming in a land assembly for a purpose that was obviously not very well conceived, once it is disposed of it should go back to the original purpose, if possible. It may be an opinion on my part, and you may not think it has any value, but I think that is the right way to go.

Hon. Mr. Bennett: Mr. Chairman, so the member does not get the idea that we are not interested in getting the land back into agricultural use, our record in lands that we have acquired as a ministry, for whatever purpose, shows that where it has been possible to put it back into agricultural production we have done so.

I am rather proud of what we were able to accomplish in Pickering. In Pickering, when we took over the land, when we bought it out for that project, there were fewer than 8,000 acres being cultivated. Today, there is half again that amount being cultivated, if not more. The government went in and found people to rent the farms and run them for whatever type of crops they required.

The same has been true in every project we have been involved in. In our presentation a year ago, Mr. Epp, you will recall we went through it very carefully and very precisely to show you the efforts we had gone to, in every locale in this province, in trying to get back into the farmers' hands those lands that had a possibility for agricultural use, even if it was on a lease basis.

We have never deviated from that position, nor do we intend to, but I must say with respect to these farms, and I have said this to the public accounts committee and before the select committee and I have repeated it here at my estimates for the last number of years, Mr. Boudria, before you came on the scene, that if you have a buyer, we are a willing seller, but we are not getting into fire sales.

Mr. Boudria: I understand that, but if you are comparing the willing buyer being one of the local farmers and if you are saying his prices are fire sale prices in comparison to what another ministry's are, which is not handling its own

money, it is very difficult for a farmer to compete against the Treasury of the province.

Mr. Chairman: Can we take that as an opinion? I think the minister has really responded to your question, giving policy, and we cannot resolve it any more.

Mr. Boudria: I suppose you are right.

Hon. Mr. Bennett: Just one further thing. Mr. Boudria is going to get me all the facts, figures and background material from these farmers who he says have been in and made some offers to do certain things one, two, three, four or five years ago.

Mr. Boudria: No, they are all recent.

Hon. Mr. Bennett: It cannot be that recent because we made the land transfer to the Ministry of Natural Resources a year and a half or two years ago.

Mr. Boudria: Yeah.

Hon. Mr. Bennett: What do you mean by "yeah"?

Mr. Boudria: Yes, it is that recent.

Hon. Mr. Bennett: Why would they be negotiating with us since the land is owned by the Ministry of Natural Resources?

Mr. Boudria: Let me clarify this.

The farmers in the area this year were looking to lease some lands. They became aware that the Ministry of Natural Resources had purchased some of the other lands and was going to use the lands for purposes other than agriculture.

Those are lands beside the William Smith farm, the Nicholson farm and a few others, which I found out were now the property of the Ministry of Natural Resources and were going to be used for purposes other than agriculture.

They had been looking to acquire farms adjacent to those, and they were told the prices they quoted were not appropriate, and that may be so. Of course, I am of the opinion that government should dispose of things at a good and proper price.

Hon. Mr. Bennett: Mr. Riggs is going to answer your question.

Mr. Boudria: Fine, thank you.

The concern I have is that a good and proper price not be one that is assessed in relation to a fictitiously high price of another government agency competing against a private farmer. The relationship between those two prices is obvious. No farmer will be able to pay the price a government will pay for it because it is using somebody else's money, whether it is the Ministry of Natural Resources or any other

ministry. That is the point I am trying to establish in this whole discussion.

Mr. Chairman: If you would provide those names and dates of offer to Mr. Bennett, he will in turn provide you with the information you are seeking. The time when it was turned over to the Ministry of Natural Resources and what properties were turned over should be dealt with through the committee so that all committee members are aware of these transactions.

Mr. Boudria: I have one further question. There are some farmers who wanted to seed one farm. The lease is running out at the end of June this year. They wanted to plant this land over and not leave it with one year of lost crops. There was more than one farmer. The farmers were competing against each other trying to rent this parcel of land.

What they said, and I believe they went to see the officials of—is it your ministry or is it the Ministry of Government Services for leases?

Mr. Riggs: The Ministry of Government Services manages the land for development purposes.

Mr. Boudria: They went to see the Ministry of Government Services and said, "One of us will plant it over, and if it is the other one that ends up getting it, you can just reimburse us for the cost of seeding and that is the end of it."

It was totally immoral, as far as the farmers were concerned, to leave all that land, that had been sprayed and everything else, just flat with nothing growing for a whole season. That was not right in their view, and I agree with them.

They contacted a Martha McBurnie, who is the official at the Ministry of Government Services. She thought this was okay. She verified it with the Ontario Land Corp., and apparently your officials would not go for this kind of a proposal, preferring to leave the land for one year with no growth on it. This is the Kettles farm, in this same area, the Carlsbad Springs land assembly.

9:30 p.m.

I do not know how many acres there were, but I drove by there last weekend. It is a shame to see a good farm with nothing growing on it this year because somebody's lease expires in June, especially when competing people who wanted it offered to seed it anyway.

Mr. Riggs: I cannot answer that without going back to specifics. There may be good reasons that I am not aware of. I can doublecheck.

Mr. G. I. Miller: That can happen easily. I can see how it could happen. It happened in our area, too.

Mr. Boudria: This is government land that the farmers have offered to rent.

Mr. Chairman: Accept the answer when it can be determined.

Mr. Riggs: I will get the answers for the committee.

Mr. Chairman: The question will be answered.

Mr. Boudria: Thank you. I would appreciate it. Perhaps you could just send me something in writing.

Mr. G. I. Miller: Can I ask a supplementary on this? The land is being leased and the rates have been increasing at more than the rate of inflation. That has been a concern to many farmers in our area, and I would like to zero in on that. They are complaining about it. If you are not reasonable in letting this land, it is not going to be worked.

People will come in and rape it, and off they will go. I do not know if the minister is aware of that or not, but they have been increasing the rent, and the farmers who have been there for a long time are complaining about it. They say they cannot get a return on their investment. Do you have a policy? Is that your direction?

Hon. Mr. Bennett: The policy on agricultural land is basically the work of the Ministry of Agriculture and Food. They work with the association in trying to determine a reasonable rent—not a market rent; it has nothing to do with the market—for a particular type of crop. You should know.

Mr. G. I. Miller: I know exactly. What I am saying to you is that the farmers are complaining that you are increasing rents more than the inflation rate. They are beginning to frown. The old, established farmers are saying you are asking too much. If you do not protect those old farmers, the young guys will come in and rape the land, and they are not going to do a job. I can see it happening in my area. If they cannot get a fair return, the farmers are just going to walk off and leave it.

I think it could well happen, as my colleague for Prescott-Russell (Mr. Boudria) indicated, that this land is going to lie fallow for a year.

Hon. Mr. Bennett: The Ministry of Agriculture and Food is the principal ministry in this and works with the association. If the association wants to speak up and suggest that the increase is wrong, that it is too great in relationship to the crop that is being produced, I am sure the Ministry of Agriculture and Food, along with our

own ministry and the Ministry of Government Services, will be pleased to look at it.

If the association is not indicating that to us on a provincial basis, let me assure you I have farmers on the other side who want to know why we can rent land for so little money.

Mr. G. I. Miller: I understand that.

Hon. Mr. Bennett: Again, we are back in a catch-22 situation. It does not matter whether I go left or right; I am in hell for breakfast.

Mr. G. I. Miller: I know you are, but I think you ought to be careful that—

Hon. Mr. Bennett: I am, all the way. Let your people go to their association. Let the association become their spokesman.

Mr. G. I. Miller: Do you mean the Ontario Federation of Agriculture?

Hon. Mr. Bennett: Yes. Let me get back to one of Mr. Boudria's questions for just a moment. He spoke about the prices paid by the farmers and the Ministry of Natural Resources. Mr. Riggs will recall that the policy of the government for a long time was to sell land at our book value. The book value could sometimes far exceed market value.

Mr. Boudria: It certainly does in that case.

Hon. Mr. Bennett: Certainly. It is always interesting to see what happens with people who sell us land and think they are getting somewhat shortchanged. But if you turn around a month or two later and ask them if they would like to buy it back at the same price, forgetting about interest or anything else, they think the price is excessive and they do not really think they should pay that kind of money to the government to buy it back.

We changed the policy as a result of the Ontario Land Corp. going to the cabinet. Instead of worrying about book value—remember, this can be a two-way street—we look at market value for whoever wants to buy it. That is the situation as it exists today. I want to remind you that market value can be something greater than book value in certain cases, too.

Mr. G. I. Miller: Or it could be less.

Hon. Mr. Bennett: I fully acknowledge that.

Mr. G. I. Miller: I can give you an example. In Townsend, 121 acres were sold with 35 houses on them for \$252,000. Is that book value?

Hon. Mr. Bennett: Who sold it?

Mr. G. I. Miller: The Ministry of Government Services. They put it up for tender and it was tendered.

Hon. Mr. Bennett: Where?

Mr. G. I. Miller: In Townsend.

Hon. Mr. Bennett: If the Ministry of Government Services put up a piece of land, who knows—

Mr. G. I. Miller: There were 121 acres with 35 houses on them and it was completely tendered, a legal tender.

Hon. Mr. Bennett: Andy Beattie might know about it. I do not know anything about it.

Mr. Beattie: It was the Ministry of Government Services. It is Whiteoaks, a part of the old Jarvis aerodrome; it has nothing to do with the Ontario Land Corp.

Mr. G. I. Miller: No, but it was within the Townsend township.

Mr. Beattie: No.

Mr. G. I. Miller: Yes, it was.

Mr. Beattie: There is a big block around the airport.

Mr. G. I. Miller: It is surrounded by Townsend township.

Mr. Beattie: It is surrounded, but it is not part of the Townsend assembly.

Mr. G. I. Miller: There were 35 houses sold for \$252,000.

Hon. Mr. Bennett: Why did you not buy it. It might have been a good deal for you.

Mr. G. I. Miller: We have enough problems. I am just giving an example.

Hon. Mr. Bennett: I do not know why you call them problems. You sold out to us.

Mr. G. I. Miller: They were put up for tender. They have water and sewer services. The 35 houses were bought for \$252,000.

Hon. Mr. Bennett: It was tendered?

Mr. G. I. Miller: Yes, and it is legal. I am not complaining about it. I am just giving an example.

Mr. Chairman: We have been advised it is not part of OLC property.

Hon. Mr. Bennett: Anyway, Mr. Boudria, you are going to get me all that information, are you?

Mr. Boudria: Yes. It is the business of what you deem to be market value price; so long as you do not compare government exchanging properties with each other when establishing what that market value is.

Hon. Mr. Bennett: Market value is appraised value.

Mr. Boudria: I worked with the appraisal business of the trust companies, and that can

mean a whole variety of things, as most members who sat on that committee will know.

Hon. Mr. Bennett: If appraisals did not have a variance, why would there be any more than one appraiser in the whole province?

Mr. Boudria: That is not the point. There is more than one method of arriving at appraisals.

Hon. Mr. Bennett: There are lots of lawyers involved because there are all the different points of views.

Mr. Chairman: Mr. McClellan, you had a question a while ago. Do you remember what it was?

Mr. McClellan: Yes, I would like to move on to the housing vote.

Vote 2503 agreed to.

Hon. Mr. Bennett: Just for my clarification, is vote 2502 carried as well?

Mr. Chairman: That was carried last Wednesday.

On vote 2504, community housing program:

Hon. Mr. Bennett: We are going to have a presentation on community housing. Mr. Peters will be here from the Ontario Housing Corp., George Przyblowski, at the back of the room, will speak to us on housing renovation and energy, and Crom Sparling is director of housing policy and programs.

Moving into the area of community housing, members of my staff will be talking to you about social housing issues, about nonprofit housing in particular, as well as measures we are taking to make better use of existing properties.

Over the past few years there have been more demands for bigger government subsidies for rent-geared-to-income housing. Last August I indicated I was prepared to allow nonprofit organizations wishing to provide family housing an increase in the number of units rented on a rent-geared-to-income basis, from the original 25 per cent to 35 per cent, plus an additional five per cent for handicapped persons.

There were two conditions. The first was that the organizations begin using the Ontario Housing Corp.'s point rating system in order both to measure the relative needs of rent-geared-to-income applications and to house them. Second, we are moving towards just one waiting list for all housing to be subsidized or administered by Ontario.

You will be brought up to date on the discussions we are having with the municipalities. I believe this issue will be resolved in the not too distant future. Renovations, conversions

and home improvements will be the other community housing presentations.

9:40 p.m.

The rental loan program, developed by the Mortgage Insurance Co. of Canada, and by my ministry, is making it easier for home owners and contractors to get mortgage financing at prime market interest rates. We are underwriting the risk the lender takes when a house has made less before it makes more in the renovation process. With our help, the lenders are able to offer home owners and renovation companies better financing arrangements than were possible before.

Renovation activity in this province is running at more than \$2 billion a year, and there is an increasing emphasis on remodelling, renovating and adapting existing buildings. Those activities will help us make better use of what we already have in this province.

Our convert-to-rent program is a good example. We are trying to stimulate the conversion of nonresidential properties into rental housing. The program covers a variety of concepts, including as one example building new rental accommodation over business premises.

We are providing examples of creative use of existing buildings on underused lands. We are expecting that publicizing these efforts will get more people interested in creative renovations and give them an insight into two pilot projects, conserve-a-unit and add-a-unit.

About 60 per cent of Ontario's rental housing consists of old walkup apartments in low-rise buildings. These properties are generally older than the high-rise stock we see so often and require a great deal of work, as far as plumbing, wiring and so on are concerned, to update them to current standards.

The conserve-a-unit demonstration program will look at the economics of converting existing rental housing. Using existing housing stock more intensively is the theme of the add-a-unit demonstration program, which will show the advantage of duplexing, creating new rental housing within existing single family accommodations.

There is a good possibility that such an approach could have a positive impact on neighbourhoods, home owners, tenants, lenders, renovators and the municipality.

I will ask Fred Peters of the Ontario Housing Corp. to take us through the intricacies of increasing the rent-geared-to-income percentage with regard to the nonprofit housing programs of Ontario.

Mr. Peters: Thank you very much, Mr. Chairman and members of the committee. In my remarks, I will attempt to outline to you in somewhat greater detail the substance of the proposal, touching on such things as the rationale for the program, the application to the program of the existing program, the conditions attached to the program and the projected units made available under the program.

As the minister mentioned in his opening remarks, the proposal involves the extension to family housing projects of an increase in the rent-geared-to-income percentage of from 25 per cent to 35 per cent, plus an additional five per cent for those housing agencies choosing to house the physically handicapped.

As the slide indicates, the rationale for the proposal is based at least in part on the rise in family applications from 1980 to 1984. If one considers that one should reference the demand side of the equation, then one should reference the supply side of the equation as well, which is indicated by the federal allocations listed for 1982 to 1984.

As members of the committee will note, there has been a reduction in these allocations since 1982. I would point out, as an element of interest, that the initial allocation given to Ontario in 1984 was 1,400 units. The province did receive an additional allocation in a second phase.

In terms of the offer, the program would apply to the municipal nonprofit housing program, the community-sponsored housing program, which was the first generation, I suppose, of the nonprofit programs, and the Ontario community housing assistance program, which is directed to increasing rent-geared-to-income units in private nonprofits and co-operative housing units delivered unilaterally by the federal government through its nonprofit program. In addition, the offer is also extended to the conventional rent supplement program.

The acceptance of the offer by housing agencies is conditional upon their agreement to move towards the adoption of the new provincial point rating system and the maintenance of a joint waiting list. This is consistent with the ministry's position that those in greatest need for housing be served first.

Through the existing housing programs, we anticipate producing the following units: municipal nonprofit, 650; community sponsored, 70. I would point out the number of units to be made available under the community sponsored program, 70 units, particularly because many of

those projects are presently at the 35 plus five per cent level.

The Ontario community housing assistance program is expected to produce an additional 150 units and the rent supplement program, 100 units. The total production is anticipated to be 970 units and, for fiscal 1984-85, the cost to the province will be \$1.3 million.

Since the announcement was made by the minister, staff of the ministry has been meeting with municipal nonprofit corporations and, more recently, a committee, comprising Mr. Allan Moses, chairman of the Ontario Housing Corp. board of directors, and his worship Bill McLean, mayor of Ajax and chairman of the housing program subcommittee of the Association of Municipalities of Ontario, has been struck to meet with municipal nonprofit corporations to ascertain from them their suggestions and recommendations as to changes to the provincial point rating system. Those recommendations are to be presented to the minister by the end of July.

That very brief overview outlines the basic elements of the proposal, and I would be pleased to attempt to answer any questions you have on the elements of the proposal at this time.

Mr. McClellan: I am sorry, I missed the name of the gentleman who was negotiating with the nonprofit housing corporations around the development of a new point rating system.

Mr. Peters: There are two. The committee is composed of Mr. Allan Moses, who is the chairman of the board of directors of the Ontario Housing Corp., and his worship Mr. McLean, who is the mayor of Ajax and is also the chairman of the AMO subcommittee on housing programs.

They have written to municipal nonprofit corporations and are in the process of establishing meeting dates where they will attend at the various locations to solicit various proposals.

Mr. McClellan: Are they taking a proposal with them for reaction, or are they taking the old point rating system and asking for suggested changes?

Hon. Mr. Bennett: Basically, Ross, it is to hear the views of some of these municipalities on the rating system.

I think all have been advised so far as to what the rating system is for the Ontario Housing Corp. We are now looking for a response as to whether—and I know there will be as many opinions as there will be people at these meetings—the percentage points given for the XYZ portion of the application are right. That is really why we are looking for the input.

Mr. McClellan: This is precisely the area about which I wished to ask a few questions. When you are talking about the first condition, that the nonprofits accept a new point rating system, does that include accepting all of the various policies that govern admission to Ontario Housing Corp.—for example, the requirement that Ontario Housing Corp. does not accept an application for housing from a woman who wants to separate from her husband because of a bad marital situation but has not actually separated yet?

As it stands now, that woman cannot go on the OHC waiting list, but she can apply to put her name on a municipal nonprofit waiting list or apply for co-op housing or for a private nonprofit project.

Hon. Mr. Bennett: Just for the moment, Ross, we are not talking about co-ops or private nonprofits. Those are categories or areas that fall beyond the parameters of the Ministry of Municipal Affairs and Housing. We are talking about municipal nonprofit.

9:50 p.m.

That is basically the area we are talking about, because when co-ops come to us they take a number of people off our waiting list, which is the agreement they sign with Canada Mortgage and Housing Corp. But the added agreement—that is to say under the OCHA program, if co-ops and private nonprofits want to participate on a rent-geared-to-income position with the province, that is, one extended beyond where they are at the moment, they would have to abide by our tenant selection, and so on, for that extra funding we are going to put in.

Mr. McClellan: So it is not just the point rating system, it is all of the other policies as well.

Hon. Mr. Bennett: That is all up for review.

Mr. McClellan: I am just trying to understand the system first, before we get into discussion.

Hon. Mr. Bennett: As long as you do not bring co-ops and private nonprofits into the discussion, because we are not in them at the moment.

Mr. McClellan: With Mr. Moses?

Hon. Mr. Bennett: They are in the municipal area now. That is why they are dealing with municipalities.

Mr. McClellan: There are a number of concerns that have been expressed, not just about the point rating system, but about the Ontario

Housing Corp.'s other admission policies as well.

OHC will not place on the waiting list a woman who wants to separate from her husband but who has not yet separated. OHC will not place on the waiting list a pregnant woman who does not have other children until after the baby is born.

OHC will not place applicants on the waiting list until they have custody of their children. We have people in a catch-22 situation: they cannot get custody of their children until they get housing, and they cannot get housing until they get custody of their children. I am sure all of us have had those kinds of cases in our constituency offices.

There are a number of concerns like that. I do not understand how you expect municipal nonprofit corporations that now have six or seven years of solid administrative experience behind them—

Hon. Mr. Bennett: Four or five.

Mr. McClellan: More than that.

Hon. Mr. Bennett: The program was not implemented, Ross, until 1978.

Mr. McClellan: Okay, six years.

Hon. Mr. Bennett: It was 1979 before it was signed, so they have been operating since about 1980.

Mr. McClellan: What about Cityhome?

Hon. Mr. Bennett: About 1980.

Mr. McClellan: That recent? Okay.

Mr. Chairman: Time flies.

Hon. Mr. Bennett: When you are having fun. That is why it seems so long here tonight.

Mr. McClellan: You expect them to accept policies which are, if I may say, straightforwardly sexist?

Hon. Mr. Bennett: I beg your pardon?

Mr. McClellan: You expect them to accept policies, such as the ones I have run through, which are straightforwardly sexist, which discriminate, in many people's views, against women? You expect them to alter their admission policy, not just on the basis of the point rate system, but as well by adopting a set of policies which many people feel are a totally inappropriate intrusion of the state into, in many cases, people's personal affairs.

What business is it of the OHC to make a predetermination that someone who is planning to separate from her husband because of a bad marriage is not eligible to go on the waiting list or

that someone who is pregnant cannot get on the waiting list until the baby is born?

Hon. Mr. Bennett: The last one is very clearly spelled out in family composition.

Mr. McClellan: I know all about the bureaucracies.

Hon. Mr. Bennett: Let us not get into this sexist discrimination business. Sixty-eight per cent of all the units here in Metropolitan Toronto are occupied by a mother-led family. I do not think it is fair to say that we discriminate.

Mr. McClellan: You may not like the criticism—

Hon. Mr. Bennett: It is not criticism, I just want to correct your position so you do not get the idea we are discriminating. We have 68 per cent mother-led families; it is a fair indication of no discrimination.

Mr. McClellan: We have a difference of opinion. Many people, and I happen to be one of them and I am not alone, describe a number of these policies as barriers set up by the Ontario Housing Corp. which impinge on women. They are regarded as unacceptable.

Now, you can shoot the messenger. You can say whatever you want. I am just telling you that if you expect people to embrace your new program and to accept policies that are part of the present admissions criteria and are regarded as unfair barriers to women, you are going to run into some major problems.

You can throw up your hands and say: "So what? They can all go and get stuffed," or you can take a good, hard look at some of these barrier policies.

Hon. Mr. Bennett: We have been asking.

Mr. McClellan: I hope so. I do not think it was clear at the time the offer was made initially that the whole package of OHC admission policies was being imposed as part of the first condition.

Hon. Mr. Bennett: Let me just clear up any misunderstanding.

Mr. McClellan: I do not have any misunderstanding. I have a difference of opinion with you.

Hon. Mr. Bennett: No, it is a misunderstanding. Just listen for a minute. I do not think you were present at the time we had the discussion with Art Eggleton and some of the other mayors of this municipality.

We said to them very clearly: "The whole problem of admissions is open. The question of point rating, and so on, is open for your input.

Clearly, we want to have a program that works in all the communities in the province."

They know exactly what we are trying to achieve. Their goals and my goals do not really come to be the same thing. If we are here as a government, the taxpayers of this province are going to go from 25 to 35 per cent, plus five per cent for physically or mentally handicapped people. Then, if the criteria of the establishment of the OHC are met—and its first obligation is to make sure that the person most in need is served first—

Mr. McClellan: No one objects to targeting.

Hon. Mr. Bennett: That is where they do object. That is where the big argument comes into this thing today.

When I am discussing the problem with a local mayor, I find that he is prepared to look at 25 per cent, which he has obviously had, but he wants any addition to go to another selection, not the neediest.

I find that hard to believe in a day and age when your party, and others, are constantly badgering governments—federally and provincially—about not doing enough. When we start to do enough, we are not trying to target in on the market we were talking about at all. We have lost sight of the principal target. We are aiming for something entirely different, to give them a different social mix.

When I ask certain political people, "Who is to look after the most needy?", the answer is, "You"—"you" being the provincial or federal minister. If we are going to succeed, it will be because there is some co-operation among the federal, provincial and municipal governments, all trying to achieve the same purpose in this type of building.

Mr. McClellan: We will wait to see the outcome of your negotiations.

Hon. Mr. Bennett: I succeeded in Ottawa.

Mr. McClellan: Yes, I understand that.

Hon. Mr. Bennett: The only holdout, at the moment, is Toronto.

Mr. McClellan: We will see the result of your negotiating process. I do not have any problem with targeting. I do not have any problem with a common waiting list.

Hon. Mr. Bennett: Nor do I.

Mr. McClellan: There are a lot of people over the years who have expressed a lot of the problems about the way the OHC has gone about identifying need. You may want to assume that the OHC point rating system is somehow infallible and carved in stone, and that all the

admissions policies are absolute perfection. A lot of people do not agree with you. A lot of people—

Hon. Mr. Bennett: If I thought that, I would not have set up a committee.

Mr. McClellan: I am pleased that you are proceeding in that way. I was not aware of that. I am interested in that. I hope that you will enter into a two-way process and that you can come to a successful resolution of that.

I would urge you to be flexible and to listen to some of the criticisms, which I did not invent. I am not a housing administrator. I am not particularly an expert on housing. I listen to what people are saying and I have been listening for a long time.

10 p.m.

There have been criticisms of the point rating system from the time that I worked on the Social Planning Council of Metropolitan Toronto in the late 1960s and early 1970s, and there have been criticisms of some of the other admissions policies. You are going to have to take a good, hard look at them if you want to make this policy work. We all want to see it work. We all want to see the number of subsidized units increased as much as possible.

I would just ask one other question and that has to do with the rate that the new policy will apply to the co-ops. I understand the co-ops have the choice of opting in.

Hon. Mr. Bennett: That is right.

Mr. McClellan: They are going to opt into this program through the Ontario community housing assistance program—

Hon. Mr. Bennett: That is correct.

Mr. McClellan: —and increase the number of subsidized units from the current level, from 25 per cent, to 35 per cent.

Interjection: What is it, 10, 15 per cent?

Mr. McClellan: It varies, does it not?

Mr. Pitura: That is just the number of rent-geared-to-income units.

Mr. McClellan: The number of subsidized units. The number of rent-geared-to-income units and co-ops.

Mr. Pitura: I think the evaluation under section 56.1 of the report came out, so that indicated something in the order of 12, 14, 15 per cent were rent geared to income, as compared to the rent-geared-to-income definition that we use.

Mr. McClellan: How do you intend to increase the number of subsidized units in co-ops?

Hon. Mr. Bennett: By the co-op's request.

Mr. McClellan: To a maximum of?

Hon. Mr. Bennett: Of to whatever the market position is. In other words, up to 35 per cent plus five, and in the seniors, of course, we go up to 50 per cent. So it will be the same thing.

Mr. McClellan: Right. The two conditions will apply.

Hon. Mr. Bennett: Let me put it this way. We would go to a maximum of 35. If the co-op wanted to go from the current, let us say, 10 or 12 per cent to 25 per cent, we would be prepared to entertain it.

Mr. McClellan: You see this is the question I have. I have four co-ops in the Frankel-Lambert development in my own constituency. I have been watching them very closely since they were set up. A lot of co-ops, like everybody else, have been hard hit by the recession. Their neighbours have. A number of the co-ops in my riding were started by Canada Packers. A lot of the people who live in my riding used to work at Canada Packers—I say “used to work” at Canada Packers.

From time to time, one finds a situation when the number of co-op members eligible for subsidized units, for rent-geared-to-income subsidy, is higher than the allocation. There is an allocation of 15 per cent rent-geared-to-income units.

If you do a survey of co-ops across Metro, you would find a number of co-ops that have more than 15 per cent of members who qualify for rent-geared-to-income subsidies, but the co-ops do not have the subsidy spaces available. What I am concerned about is an inflexible application of the new policy.

If you are going to say to the co-ops, “Well, you can increase the number of subsidized units, but only if you take from the common waiting list,” what happens to people who are already members of the co-op, already living there, who have lost their jobs? In other words, their financial situation has changed; they are eligible for subsidization. I hope the policy will be flexible enough to be able to accommodate such situations.

Hon. Mr. Bennett: I will look at the matter, but I do not want to offer you any false promises.

Mr. McClellan: I would like to suggest that you do look at it. I have talked to Mr. Pitura about setting up a meeting in the near future to look at this precise problem and at a number of co-ops where this is happening. At this point, I simply wanted to encourage you to think about this, because I can tell you it is a real problem.

Hon. Mr. Bennett: That might be a real problem, but I just finished talking to you about a target clientele, if you wish to call it a clientele. All of sudden, what you are saying to me is we will take an in situ person who may not be the most needy on a waiting list or even come close.

All of a sudden, because he or she happens to be in a unit, we will just say "Well, we will let it pass through." Then we do not achieve what it is you have been asking me for months and months and months, and that is to get subsidization to the most needy by the province and the federal government.

Mr. McClellan: You get into the situation where you have—and I know this has happened in my community—people who have worked at Canada Packers for a long time, who lost their jobs and had to move out of the co-op because they could not afford to rent it. They were not eligible for subsidization, because there were no subsidized spaces available. They were all taken.

Are you going to say that, because of some bureaucratic ruling, these people are not in need?

Hon. Mr. Bennett: No.

Mr. McClellan: That is all I am saying. I am just saying that you have to be flexible, and you just cannot say that if you are going to get—

Hon. Mr. Bennett: You are going to get back to what Art Eggleton wants, right back to it. To hell with whether the needy are being looked after.

Mr. McClellan: I am talking about needy people. I am not trying to get into a needy competition.

Hon. Mr. Bennett: Oh. We thought that perhaps—

Mr. McClellan: You tell me who is needier than a guy at Canada Packers who has lost his job and has four kids. You tell me who is needier than that. You can find other people who are needy, but who want to be—

Hon. Mr. Bennett: I might have a single-parent family which has been on the waiting list for perhaps two or three months. All of a sudden, you just let your subsidy program drift over to someone else.

Mr. McClellan: Drift over. You talk about it as though it just happens—throwing someone who is unemployed on to the street so you can move into the unit someone who is needy. That does not make sense.

Hon. Mr. Bennett: I would suggest to you, Ross, that it can be the greatest way to do an end run on the whole system.

You offered me an example. That is all. I am not trying to make a specific case out of anyone, but I suggest to you that when we get down to the final analysis, we might put in a whole raft of money through the generosity of the taxpayers of Ontario, but not have any impact on the situations involving the most needy.

Mr. McClellan: I hope you are not going to turn it into a welfare program, with all of the bureaucratise that characterizes welfare programs, and the assumption that the bureaucrats, the civil servants and the red tape experts, are the only ones in the world capable of making these kinds of decisions.

I have seen enough co-ops to know that numbers of them are quite capable of making responsible decisions about who is needy on their waiting list, who is needy within their membership, and who requires subsidies. Quite frankly, they do not always need the great guru from Queen's Park to tell them how to run their co-ops.

Hon. Mr. Bennett: Just as long as they get the money from the gurus in Ottawa and at Queen's Park to pay for it.

Mr. Breaugh: Hold on, now. You know how the gurus at Queen's Park and Ottawa get the money in the first instance.

Hon. Mr. Bennett: I am not arguing that with you, Mike. I am not arguing for one moment. What I am suggesting to you is that this is why you have policies, so that when a little fellow known as the auditor comes along, you have some basis for knowing whether the money has been expended in a proper way.

Mr. Chairman: Okay. Mr. McClellan?

Mr. McClellan: Then you are talking about co-ops accepting from the common waiting list.

Hon. Mr. Bennett: Yes.

Mr. McClellan: I assume that what this means is that a co-op would have to interview exclusively from the common waiting list; they would not necessarily have to accept every applicant for membership.

Hon. Mr. Bennett: The agreement we had with the municipalities, which would be the same for the municipal and private nonprofit co-ops, was that we would send the top two applications.

Mr. McClellan: Two?

Hon. Mr. Bennett: The top two applications.

Mr. Chairman: Thank you. Mr. Boudria?

Mr. Boudria: First, I just want to ask a supplementary to one question that was raised by the member for Bellwoods (Mr. McClellan) on

admission policies. Did you say there was a committee set up to review the admission policies of the Ontario Housing Corp.?

Hon. Mr. Bennett: No, the whole rating system of OHC, as it relates to the common waiting list.

Mr. Boudria: But not the admission policy as such.

Hon. Mr. Bennett: I do not follow what you are referring to.

Mr. Boudria: I am referring specifically to the Ombudsman's report—I think it was the third report—in reference to the Burton case in Hawkesbury, which recommended that a separate, independent appeal procedure be established.

Hon. Mr. Bennett: Yes. We already have that under OHC. That is a completely different thing. That is not the same committee. You are talking about the case in which they believed the housing authority had not made the proper ruling, even though they made it about—what, three or four times?—

Mr. Boudria: That is right.

Hon. Mr. Bennett: —in reviewing the case. Then, when they went to the Ombudsman, he said that there should be another tribunal.

Mr. Boudria: Independent.

Hon. Mr. Bennett: Whatever independent means.

Mr. Boudria: Not the same members.

Hon. Mr. Bennett: That is correct. That is exactly right. We have established that with the Ontario Housing Corp.

Mr. Boudria: However, do you not now have the same people looking over the previous decision in the appeal procedure?

Hon. Mr. Bennett: No.

Mr. Boudria: How does it work?

10:10 p.m.

Hon. Mr. Bennett: Do you know the system? If you do not, I will go through it with you. There are 60 housing authorities in Ontario.

Mr. Boudria: Yes, I know that.

Hon. Mr. Bennett: They are made up of people who are nominated to me from the provincial, municipal or federal level and become members of a housing authority. That housing authority has subcommittees that do various things. Some of them review applications in relationship to people applying for units within the portfolio which they administer on behalf of the people of Ontario. They make the

selection and then it eventually goes to the board for acceptance, that Mrs. or Mr. or whoever it happens to be is eligible for a unit.

In the case of the one you are referring to, obviously it was reviewed about three or four times and maybe more often than I know of. The recommendation had been on each occasion that the board did not accept the application as eligible for housing for reasons you and I know, and I am not going to get into them tonight.

When the Ombudsman heard the case, as a result of the social animator from Algonquin College working in the Hawkesbury area, he eventually came to the conclusion that what should happen if there is such a request is that some independent board, some board that has not been involved in the application earlier, should review it and give a decision. That board is one that is composed of the Ontario Housing Corp. board of directors, who are not the same people and do not appoint the local housing authority. That is the responsibility of this minister.

Mr. Boudria: So you are saying that no member, in the case of smaller housing authorities, such as one in my riding and perhaps several others, sits at both of those levels.

Hon. Mr. Bennett: That is correct.

Mr. Boudria: If we look at the last report of the Ombudsman, he sure did not think even last year that the procedure you have now is adequate. However, I will leave that one for some other time.

I want to ask you about municipal nonprofit housing. I wrote an urgent letter to you about three weeks ago. A group in my riding was threatening to resign and so forth. Another member wrote you a letter as well. They were both answered in a similar fashion. With all due respect, if I were to refer to them as poison pen letters, I think I would be generous. I do not know what the other member, Mr. O'Neil, wrote in his letter to you, but the reply to him was even worse than the one you sent to me.

I thought the letter I sent to you was thoughtful, not provocative. I explained the circumstances. I asked that you meet with them in the near future. They were threatening to quit. They are very disappointed and all that type of thing. Could you encourage them to continue in the good and responsible work that they are doing and not be discouraged by the fact they did not get their allocation.

You sent a letter back to me which I have had a number of people on our legal staff and the research staff look at, and they just could not believe that you would have sent a letter like that

to anyone, let alone a member of the Legislature. If we had a little bit more time tonight, I would read the whole thing into the record.

Hon. Mr. Bennett: Go ahead.

Mr. Boudria: Mr. Chairman, you would not believe it either.

I do, of course, appreciate the fact that in one line you said, "Of these I was able to give Casselman the go ahead for 1984, while being forced to hold the others over for 1985." Your commitment there to build the others in 1985 is greatly appreciated and I want you to know that. However—

Hon. Mr. Bennett: I committed to 1985?

Mr. Boudria: That is what you wrote in the letter.

Hon. Mr. Bennett: No, I said that we would review it in 1985.

Mr. Boudria: Oh no, you did not. Maybe that is what you meant, but that is not what you said.

Hon. Mr. Bennett: Would you like to read what I said then?

Mr. Boudria: It took me a few times reading it, but I read it carefully. You said:

"The tone of your letter certainly interests me in that there are five projects in the county of Prescott-Russell which looked for unit allocations this year. Of this I was able to give Casselman the go ahead for 1984, while being forced to hold the others over until 1985."

Hon. Mr. Bennett: That is right.

Mr. Boudria: To me that means that you are building one this year and you will build the rest next year.

Hon. Mr. Bennett: That is your assessment. I am telling you that I can look at it in 1985 and that does not make any commitment on my behalf.

Mr. Boudria: I do not agree with you.

Hon. Mr. Bennett: If you want to make that analysis, be my guest.

Mr. Boudria: I am still wondering why you choose to answer letters from members of the Legislature in this way. The letter I wrote to you is not very long. I could read it into the record. I am doing my job as a member and you, or whoever writes those things for you, seems to be offended by the fact that we were elected to serve our constituents. Why?

Hon. Mr. Bennett: Nobody is offended by your attachment to your constituents; that is fine. I wrote the letter to you. My letter was in answer to yours. I just said to you clearly that I have a very limited allocation. What did I say? I said,

"Why do you not see your friend, the federal member down there? Go and see Mr. LeBlanc."

I have argued the case with him, the mayor of Toronto has argued the case with him, the mayor of Ottawa has argued the case with him, the mayors of various other communities have argued the case with Mr. LeBlanc. I suggested to you, since you are a very good Grit and you have that federal Liberal member down there as well, maybe you people could have a bit of an impact on him.

That was the gist of my letter, was it not?

Mr. Boudria: That part of your letter I do not object to; it is the rest of it.

Regarding the shock which you state was expressed by members of the local nonprofit company, I certainly see no reason for that reaction. All municipal nonprofit companies know of the allocation process. I am also surprised that shock has set in three months after the allocation process was completed. Maybe you do not know it but they had already written to your staff some time ago. You answer all those letters.

For instance, you say to my colleague the member for Quinte (Mr. O'Neil)—

Hon. Mr. Bennett: That letter is from Mr. Reid.

Mr. Boudria: —that, "Regarding your general comment that you are quite familiar with this program, I can only state that your further remarks fail to show that you have little, if any, understanding whatsoever of how the system works."

Hon. Mr. Bennett: Just a moment, Mr. Chairman. Let it be known that the letter of Mr. O'Neil from which he is reading does not relate to municipal nonprofit. It relates to a CRSP program.

Mr. Boudria: What difference does it make? I am talking about the method by which you answer letters from members of the Legislature.

Hon. Mr. Bennett: I am just making it very clear. If you would just read it, you will find out the CRSP program is not the same thing as the municipal nonprofit.

Mr. Boudria: Of course.

Hon. Mr. Bennett: They do not even go through the same allocation.

I am just saying to Mr. O'Neil in a very clear, frank concise way that he had better find out what the program is. Do not try to be on both sides of the fence down there. I did not hear Mr. O'Neil's position. I should not get into the discussion with you but—

Mr. Boudria: He was unable to be here tonight and will continue raising that point with you. He was supposed to be here tonight. I will just continue raising the issues that I brought to your attention.

Concerning my letter, Minister, I explained to you the process by which these people have been waiting, the number of years they have been waiting, how the process happened, the fact that it was reviewed because of increased demand in the area, the fact that they hired the architect—the whole process they went through, giving you an outline of the good work this volunteer group did for this government and the community as a whole.

Your only reply was what I term a poison pen letter, of which you sent a copy to the reeve of each municipality instead of answering: "I am very sorry to hear that they could not get their allocation this year. Their work is very valuable and I encourage them to continue working. I would like to meet with them to state that position."

Is that not the normal way those kind of things should be dealt with?

Hon. Mr. Bennett: I have talked to these people. You would think, Mr. Boudria, this was the first time I had ever heard of any of these applications. I have talked to them. They have been in my constituency office on more than one occasion, not all of them but some of them.

Plantagenet has been in to see me, Casselman has been in to see me, Russell has been in to see me. We can go on down through some of the other people in your particular riding. Obviously they have come to me because they think we are able to give them an answer. They could use some encouragement.

I have said to them very clearly: "I do not have enough allocations for all of you." If I did, I would be delighted to make sure everyone got what they required in accordance with the needs studies we do in this province for housing.

They all know that they are not going to get their units this year. Then you come along and you say to me, "They are in great shock." They did not have to be in great shock, because I have explained it a dozen times. I explained it at the Association of Municipalities of Ontario.

Mr. Boudria: You may have mistaken the fact that you met with other nonprofit housing corporations in my riding. You have not—

Hon. Mr. Bennett: Most of the nonprofits know the whole system better than you do, because they are in constant communication with people within the ministry who give them advice.

When you talk about the architectural fees and the other things, that is the money we advanced them. We advanced them the money—

Mr. Boudria: Not for the purchase of the land.

Hon. Mr. Bennett: Not for the purchase of the land, but to get their incorporation and get on with the preliminary planning. The land is an asset to them. The land will always be an asset to them. The plans and the incorporation may never be an asset unless they get some units allocated to them. Right?

Mr. Boudria: Of course.

Hon. Mr. Bennett: Correct. So when they talk about the land, the land is a choice of their municipality, as to whether it is the appropriate location and has had the agreement of the ministry that it would be an adequate location for the establishment of a nonprofit unit.

They have been in constant touch. Mr. Boudria, let me suggest to you that they know very well and they knew within days of our allocation exactly where it went, if not via the press, via information from the ministry.

10:20 p.m.

Mr. Boudria: That is right, and they wrote to you at that time.

Hon. Mr. Bennett: So what do you want me to do?

Mr. Boudria: Answer them.

Hon. Mr. Bennett: I do not have the loaves of bread and the fish so that I can make it do for a multitude.

Mr. Boudria: I want to get to another section where you say: "Your personal inquiries of my ministry staff, as well as letters, indicate to me that perhaps you would have preferred that Longueuil-L'Orignal receive the 1984 allocation. I can only also presume that your preference is that I allocate any future units in Prescott-Russell to Longueuil-L'Orignal before Plantagenet, Rockland and Russell."

You indicate that someone on your staff has told you this. I spoke to only one person on your staff whom I consider a gentleman and one who would never do that kind of thing to me or to you. Would you name the person on your staff—

Hon. Mr. Bennett: Do what kind of thing?

Mr. Boudria: Tell you that I favour one building in my riding over another. You indicated your officials have told you that is my position. Which official of your ministry told you that?

Hon. Mr. Bennett: That is not what it says there.

Mr. Boudria: Yes, that is what it says; I have just read it into the record.

Hon. Mr. Bennett: If you read it again, you will find it states, "if that is your position."

Mr. Boudria: Which one of your staff said that?

Hon. Mr. Bennett: I am not getting into names with you tonight.

Mr. Boudria: I spoke to only one person on your staff and he is a great person and a hard worker for you and you should appreciate his hard work rather than try to implicate him in a political battle, which you are obviously doing.

Hon. Mr. Bennett: I hope it is not a political battle. By your definition it might be, but not by mine.

Mr. Boudria: Do you mean to say that is a perfectly neutral, normal letter for a cabinet minister to send in a nonpartisan way?

Hon. Mr. Bennett: You can rate it any way you want. I sent it out to you as an answer to your letter. If you do not like it, that is something you can contend with some day down the road when there is an election.

Mr. Boudria: The next paragraph reads: "I expect you will be advising these municipalities, their municipal nonprofit companies and those seniors awaiting accommodation of your view some time before the next round of allocations." Again you are suggesting that I said one building should have priority over another.

I am suggesting that you say someone on your staff told you I said this. I spoke to only one person on your staff and that person would never do that.

Hon. Mr. Bennett: We allocate in Casselman. We hear nothing about whether it is good, bad or indifferent; nothing. We have said to you, "If you want this project next, you show the priority of it." That is what I am saying to you in the letter. Read it.

If that is what you want, fine. You say this is what your number one priority is in 1985. If there is an allocation from the federal government in 1985, we will be delighted to give it some consideration.

Mr. Boudria: We are talking about both sides of the fence here.

Mr. Chairman: Let us keep to the discussion.

Mr. Boudria: I have been here for three and a half years and have corresponded with a number of ministers. I have been the critic of three

ministers and I have never seen a letter like this from anyone.

Hon. Mr. Bennett: Maybe you should get them more often and then you would understand them.

Mr. Boudria: Is that not interesting? That goes with the rest of the stuff that we have seen in this, which is just absolutely unacceptable, in my view, for my constituents. You are saying: "What are you going to do about it? I am the minister, I am king around here. If your constituents do not like it, they can go jump in the lake."

Hon. Mr. Bennett: No, we are not saying that.

Mr. Boudria: What does that attitude mean then?

Mr. Chairman: Order. Just a moment.

Mr. Boudria: Mr. Chairman, I am being perfectly reasonable.

Mr. Chairman: If you are asking the minister a question on this particular vote, you will get a reply. I think you are getting into the area of administration of his ministry and that should have been discussed under the first vote.

Mr. Boudria: I am discussing municipal nonprofit allocations in my riding.

Hon. Mr. Bennett: And I have answered.

Mr. Chairman: I think the minister has answered that. If you are disagreeing with the content of his letter, that is fine, you can certainly disagree with it.

Mr. Boudria: I am disagreeing with the process the minister used. If he does not want to meet with me about this, that is his prerogative; there is nothing I can do about it and I recognize that. I do not like it and I do not think he is serving the people well if that is the process he intends to use.

However, would he please meet with my constituents, even without me? They need that encouragement. They are doing good work for you, for me and for everyone else.

Hon. Mr. Bennett: For their municipality it might be so, and I encourage that.

Mr. Boudria: There you go, "For their municipality." You have answered that whole letter, two pages of giving me hell, without saying whether you would meet with them.

I wrote asking you to meet with that group. It took you two pages to tell me all kinds of things that have absolutely nothing to do with that; innuendoes concerning which buildings I think should be built.

You will probably make photocopies of this and distribute them in my riding saying I am against having a senior citizens' building in one area, which is likely what is going to happen. You are saying all those kinds of things and saying your staff said that is what I told them, which is wrong.

Mr. Breaugh: Would anyone stoop that low?

Mr. Boudria: I do not know. Why is he doing those things to my constituents?

Mr. Breaugh: I am shocked.

Hon. Mr. Bennett: I am sure you are, deeply.

Mr. Boudria: I am very disappointed that this kind of process is being used. I recognize that not everybody could get a share of the 1,980 units allocated for Ontario. I recognize that if you divide that by the number of constituencies, that means one project for every two ridings. I got one project in my riding.

I explained that to them when we had the meeting. The federal member was with me. I indicated in the letter I sent to you that both the federal member and I were there, and so forth.

Hon. Mr. Bennett: I would suggest that you and the federal member get together now, since you are such good buddies, and go up and see the federal minister. Maybe you can get me a special allocation. We would be glad to sit down and do an assessment for you. I know your federal member has an impact.

Mr. Epp: You really are frustrated with the federal leadership, are you not?

Hon. Mr. Bennett: Not a damned bit. I am suggesting that since you fellows had such a glorious meeting in Ottawa last week, I am sure the relationship between all members in the federal cabinet will be great.

Mr. Boudria: We had a meeting across the street from your sign.

Hon. Mr. Bennett: That is right. My sign was there in full, glowing colour. Blue.

Mr. G. I. Miller: Are you going to take them on about this?

Hon. Mr. Bennett: Take who on?

Mr. G. I. Miller: The feds.

Hon. Mr. Bennett: Personally?

Mr. G. I. Miller: Yes.

Hon. Mr. Bennett: Why should I take them on? I am having enough fun right here. I have a great responsibility with you fellows.

Mr. Chairman: It is almost 10:30 of the clock and I believe there are—

Hon. Mr. Bennett: Can I just make one remark? I want to say that I am delighted to see Mr. Eric Fleming, the assistant deputy minister, back with us. He thought the municipal affairs might be on tonight. He has a daughter by the name of Karen Fleming who tonight received a gold medal in science from the University of Toronto. I am glad you are back and congratulations to your daughter.

Mr. Chairman: Are there any more questions on this vote? If not, we will carry it and move to municipal affairs.

Mr. Breaugh: I would be happy to let you carry this vote. The only reservation I have is that Mr. McClellan got a little bit short changed, so as long as you loosen up some time Thursday evening for him—

Mr. Chairman: There are more questions, so we will not carry this vote.

Mr. Epp: Before you close shop for tonight, I understand we are going to do municipal affairs tomorrow then maybe spend some time on it on Thursday. Then we will finish votes 2502, 2504, and then vote 2505 on Thursday night.

Mr. Chairman: Yes. Vote 2505 tomorrow morning and Thursday night we will carry that and go on. Let us not leave two of them hanging fire.

Mr. Epp: You have already carried vote 2502 but I have some questions on that, which you have agreed to accept.

Hon. Mr. Bennett: I thought you had asked the questions tonight.

Mr. Epp: No. I was going to ask the questions, but the chairman said—

Hon. Mr. Bennett: Look, you people want staff around and here they are, back and forth.

Mr. Epp: I wanted to do that, but the chairman suggested we finish with 2503 and then you went right to 2504.

Hon. Mr. Bennett: You were not in the room, that is why I thought you had finished the questions.

Mr. Chairman: At 10 o'clock tomorrow we will proceed with vote 2505.

The committee adjourned at 10:30 p.m.

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From the Ministry of Municipal Affairs and Housing:

Beattie, A. C., Director, Planning and Development Branch
Haley, D., Director, Land Operations Branch
Peters, F., Director, Program Policy and Evaluation Branch, Ontario Housing Corp.
Pitura, L. F., Assistant Deputy Minister, Community Housing; Vice-Chairman and Chief Executive Officer, Ontario Housing Corp.
Riggs, R. W., Assistant Deputy Minister, Real Estate Wing



No. R-18

Hansard

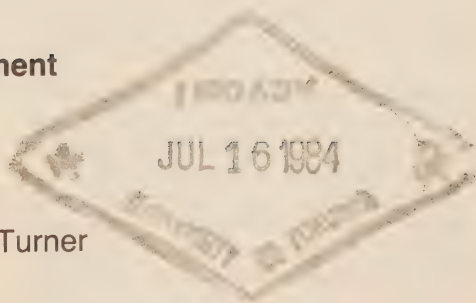
Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament
Wednesday, June 20, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, June 20, 1984

The committee met at 10:12 a.m. in committee room 1.

ESTIMATES, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (continued)

The Acting Chairman (Mr. Lane): I see a quorum.

On vote 2505, municipal affairs program:

The Acting Chairman: Mr. Epp, are you the critic?

Mr. Epp: I am just wondering if you are going to make a presentation, Minister.

Hon. Mr. Bennett: Pardon me?

Mr. Epp: Do you have some comments? I notice the screen is up. Are you going to use that? Then we can go from there.

Mr. Stokes: Is it a presentation or a commercial?

Mr. Epp: It is a commercial.

Hon. Mr. Bennett: It depends on how you want to analyse it.

Mr. Epp: Is this part of the \$50-million advertising budget the government has?

Hon. Mr. Bennett: No, but if you wish to consider it as part of it, that is fine.

Mr. Riddell: Does that big, blue sign in Lansdowne fall into this vote?

Hon. Mr. Bennett: No. You liked it, did you? You felt welcome. You felt right at home in Ottawa South, did you?

Mr. Riddell: What a blatant use of politics.

Hon. Mr. Bennett: What were you there for that weekend? Would you tell me?

Mr. Epp: You did not convert anyone.

Hon. Mr. Bennett: You never know. I did not understand that everybody who came to Ottawa last weekend happened to be a Grit. There were a few people who came there from other parts of the great country of Canada.

Mr. Epp: And the greatest one.

Hon. Mr. Bennett: No one can deny that. All those who are past are great.

The Acting Chairman: Gentlemen, can we get on with the vote?

Hon. Mr. Bennett: Vote 2505 deals with municipal affairs. Larry Close, who is sitting with me, is director of municipal finance branch. Ron Farrow is director of local government organization branch. The assistant deputy minister, Eric Fleming, we introduced to you yesterday evening and indicated that his daughter Karen had received a gold medal in science from York University. It was presented to her yesterday evening and she is at her graduation this morning.

No, it was University of Toronto. Is that up or down from York University? I am one of these Ottawa fellows, so I have to have it explained to me.

Mr. Epp: It is a lateral move.

Hon. Mr. Bennett: Okay, it is a lateral move. Eric's daughter is graduating this morning, and he will join us some time shortly after 11. We talked to Mr. Epp about that last night and he thought his priority was correct in being at his daughter's graduation.

Now, as we move into municipal affairs, I point out that this is a large area and choosing a topic has been somewhat difficult. I am aware of the fact there is interest in grants to municipalities and therefore have focused on Ontario's unconditional grants program.

We are going to make a presentation on the unconditional grants program which, this year, will deliver approximately \$714.5 million to Ontario's 838 municipalities. This amount is \$36.5 million more than was paid in 1983, an increase of 5.4 per cent. As I mentioned in my opening remarks, this is by far the largest single item of increase in the ministry in the current year.

In the past year we have made some improvements to the program, with the support of the municipal sector, specifically the Association of Municipalities of Ontario. These improvements were made without any municipality losing funds. In fact, we were able to ensure that each municipality received at least a 2.5 per cent increase in its grant payments over the 1983 position.

Municipalities in Ontario are viable. The long-term borrowing is down and municipal mill rate increases are modest, averaging about 6.3 per cent. In the nonurban areas, mill rates

increased this year on an average of about five per cent.

I would like now to introduce Jane Marlatt, a senior policy adviser with the municipal affairs branch, who is going to make a presentation on the unconditional grants program. She will give you some background as to why the changes were necessary to the program and some insight into the ground covered in discussions leading up to the improvements, as well as the impact on municipalities of provincial transfers in Ontario.

Mr. Riddell: This is the one that was not supposed to have been at the Stormont, Dundas and Glengarry by-election, is it?

Hon. Mr. Bennett: No.

Mr. Riddell: I just want to get my facts straight.

Hon. Mr. Bennett: That is good. We said very clearly to go back and read the newspapers and some of your bumf.

Mr. Riddell: You sure did.

Ms. Marlatt: As the minister mentioned, I would like briefly to cover the background to the unconditional grants program and the recent circumstances that have necessitated changes in the program. I would also like to cover the consultation we went through with the Association of Municipalities of Ontario and individual municipalities, the actual adjustments we made in 1984 and how the unconditional grants fit into Ontario's commitment to the financial stability of municipalities.

The unconditional grants program, as we currently know it, really began in 1973 with the introduction of the six-grant system. The program still consists of these six main grants, with the addition in 1984 of a revenue guarantee grant on the total.

The total funding in 1984 is \$714.5 million. One third of the money, \$235 million, is paid out in the three per household grants. Until this year, these were the per capita grants, and I will explain the reasons for the change shortly. Nearly two thirds of the money, \$427 million, was paid out on the three levy based grants; that is, the grants that are paid as a percentage of the municipality's net spending. A municipality can receive up to 48 per cent of its net spending in the levy based grants.

The remaining \$51 million is in the revenue guarantee that ensures that every municipality will receive at least a 2.5 per cent increase in 1984. There were a number of adjustments made to the six-grant system prior to 1984. Various grant rates have been adjusted. The net levy was

expanded to include water and sewer charges, and the way of calculating the general per capita grant was simplified.

All of these changes were designed to adapt the system to changing conditions. As with the adjustments made this year, they really amount to fine tuning, rather than a major shift in direction.

One of the changing circumstances was the change in 1980 when assessment equalization factors once again were published annually for municipalities. These factors are used to calculate the resource equalization grant, or REG. A municipality which is below the standard of equalized assessment can receive an REG of up to 25 per cent of its net levy.

Having the new factors every year led to some volatility in the grant. As the graph for a sample municipality shows, without adjustments in the formula the swings in equalized assessment would have resulted in major shifts in REG entitlement from year to year.

10:20 a.m.

In order to meet the problem, three adjustments were made. First, the equalization factors were averaged over three years. Second, residential and farm assessment was discounted 55 per cent of commercial assessment. This recognized the greater tax-paying capacity of commercial assessment in the actual distribution of taxes between the residential and commercial classes of property. Third, municipalities were guaranteed no loss in REG and, conversely, there was a limit on the amount of REG increase in any year.

As you can see from the blue line, these three adjustments have helped to even out the flow of funding considerably. However, there was an additional problem with the main input into the REG and the base for calculating the per capita grants. This was the population figure.

As Ontario population growth slowed down in the late 1970s, many municipalities began to lose population. Under the REG formula, a municipality would appear to be richer when it lost population because its equalized assessment per capita was higher.

Without the REG guarantee, a municipality would be losing funds at a time when it needed the funding most. These municipalities were also losing their per capita grants. This made municipal financial planning very difficult.

Initially, we tried to meet this problem by population averaging. Then we had the extension of the municipal term of office, and enumerated population figures were available only every three years.

In 1982, we estimated population using a combination of population and household data. This demonstrated the benefit of using household data, because it cut the number of municipalities with decreases to about 100. However, once actual population figures were available again, the number of municipalities with decreases jumped back up to its former level of about 400.

The changes introduced to reduce the factor volatility of the REG, and the problems with the population, led to complaints about the complexity of the unconditional grants. There was also a complaint about the lower rate of the police per capita grant paid to municipalities outside regional areas. By 1983, a full-scale review of the unconditional grants program was required.

To initiate the discussion, a discussion paper was released and circulated through the Association of Municipalities of Ontario to individual municipalities. Consultation with AMO started in February 1983 and continued until late fall last year.

AMO responded to the discussion paper with the following comments:

1. They felt the existing six-grant system should be modified rather than totally revamped.
2. They agreed with the use of households as a better basis than population for paying grants.
3. They felt the REG should be de-emphasized so it went only to those most deserving municipalities.
4. They agreed that there should be a single grant rate for the police grant.
5. They wanted municipalities to be cushioned against any change in the grant system.

The adjustments that were made in the 1984 unconditional grants program have, perhaps, not gone as far as AMO wanted, but they certainly move in the general direction that AMO and many of the individual municipalities had in mind.

There were three major adjustments in 1984:

1. We are using households instead of population.
2. We have established a uniform rate for the police grant.
3. We have introduced a broad revenue guarantee on the total of the unconditional grants.

There were three prime reasons for moving the three per capita grants to per household grants.

1. Households are more stable for calculating grants than population.
2. The data is available from the assessment rolls each year.

3. The number of households can easily be confirmed by the municipality from a check of their assessment rolls.

The uniform police grant rate was something that had been called for by AMO and had been mentioned often in both our estimates to date and discussion in the Legislature on the unconditional grants act.

The uniform rate places those municipalities with nonregional police forces, such as the cities of London and Windsor, at the same level of funding as the regions. I should stress that this has not been done at the expense of the regions. An additional \$17 million is being allocated to this grant in order to bring the nonregional grants up to the regional level.

Also, in 1984 we are moving to a broader revenue guarantee. The 1984 guarantee covers not just the resource equalization grant, as it did in former years, but all six major unconditional grants. Municipalities are not only guaranteed no decrease in the grants but an actual increase of at least 2.5 per cent over the grants they received in 1983.

By comparing 1983 to 1984, we see that nearly half the municipalities were below the 2.5 per cent floor in 1983. More than 150 municipalities experienced actual decreases in the grants they received in 1983, relative to 1982. This year everyone is above the 2.5 per cent increase. The cost to the province is about \$51 million. This is up from the \$45 million that was spent on the guarantee that related only to the REG in 1983.

The broader revenue guarantee is part of the provincial commitment to the financial stability of municipalities.

Turning now to the bigger picture of total provincial transfers to municipal governments, you can see that the unconditional grants represent only about one quarter of the total transfers to municipalities. All in all, over \$3 billion is being transferred in 1984 in order to keep mill rates down. The mill rate increase for this year averages around 6.5 per cent. It is about seven per cent in urban municipalities and about 4.5 per cent in rural municipalities.

The next slide illustrates the relationship between provincial transfers and municipal financing since 1972. Using 1972 as a base year, provincial transfers have more than kept pace with both municipal spending and taxation. The \$3 billion in 1984 represents a 367 per cent increase since 1972. This increase compares with 343 per cent in municipal spending increases over the same period and 253 per cent in municipal taxes.

The final slide shows an interprovincial comparison for several key provinces. It compares the transfers in per capita terms and shows that, using 1982, the most recent year for full data, Ontario is second only to Alberta. Alberta made a concerted effort to give municipalities transfers to reduce their municipal debt, but we can see that their municipal debt is the highest of these sample provinces, while Ontario has the lowest per capita municipal debt.

I have been speaking about the global picture for Ontario municipalities, the situation for the average municipality. I should also mention that the ministry tries to be sensitive to the needs of municipalities that do not fit the general formula. For example, this year some \$4 million in special unconditional assistance is going to 50 municipalities that have unemployment significantly above the provincial average.

In 1983, nearly \$5 million was provided to a similar group to assist these municipalities with their municipal contribution so they could take advantage of the Canada-Ontario employment development program. The ministry also provides special assistance to municipalities which experience a sudden major loss in revenue or an unexpected major new expenditure increase.

This, then, covers the environment in which the changes to the grants were introduced, the grants themselves and how they fit into the larger commitment to financial stability in Ontario municipalities.

Mr. Chairman: Thank you very much.

10:30 a.m.

Mr. Epp: My concern has to do with the unconditional grants and the way they are announced every year. As you know, Minister, you made a statement earlier in the year or late last year that people were going to get five per cent. The clear impression was left that the municipalities were going to get at least five per cent of the transfers in the unconditional area. Although the figure today shows that it was 5.4 per cent in total, a lot of municipalities—I think about half of them—ended up with about 2.5 per cent.

They had done a considerable amount of planning in their budgets. As you know, a lot of municipalities start planning their budgets in the latter part of the previous year; in other words, for 1985, they are going to start planning their budgets in September, October or November.

They then had to go back to the drawing board and start all over again, to either cut services or increase taxes, based on the five per cent they

were going to get. They had certain expectations about what they thought they were going to get.

Certain planning procedures went into operation and then they found they were not going to get that increase. They were certainly going to get an increase, but a lot of them got about 2.5 per cent. They then had to decide to either cut services or increase the amount of taxes they expected to raise.

Of course, the other concern I have is—you know, we went through that Stormont, Dundas and Glengarry by-election. We were told there was not going to be any change in the grant structure, and that we were misleading the public in SDG. Then, lo and behold, shortly after the by-election, you went right ahead and changed things.

Of course, the election had already been won, and that was that. However, we felt that the people were—well, short of using the word “deceived” I am not sure what word I should use; they were clearly under an impression that there would not be any change, as expounded on by yourself and the Premier (Mr. Davis). Then, shortly thereafter, the change was made.

You were planning changes. You could easily have indicated that you were going to make changes, but you indicated very clearly to everyone that no changes were forthcoming—certainly no important changes; there might have been a little tinkering—then you went ahead and changed it.

I am not opposed, for instance, to the police grant being changed. You know that my colleague, John Eakins, the member for Victoria-Haliburton, brought in a private member's bill, and that on all kinds of occasions my colleagues and I recommended a change, some kind of equalization.

We felt the regional municipalities, with the exception of Ottawa-Carleton, were getting benefits that other municipalities were not getting. Eventually, you saw the wisdom of that and the change was made. Therefore, we are not opposed to increasing that grant to \$47 per household.

We just thought that the method used and the statements that were made were clearly of a nature that left the people with the impression that changes were not going to be forthcoming, certainly not major changes, and they certainly were.

I will leave it with the grants and give you a chance to respond on that.

Hon. Mr. Bennett: Mr. Epp, you were at the Association of Municipalities of Ontario confer-

ence back in August, not only this past year but, indeed, in the preceding year. At that time, I made my position abundantly clear to the municipalities, in a forum of some 1,000 people, most of them either elected or having the administrative responsibility for the financing of municipalities.

I have said in those two years that, because of revenues in the province and one thing or another, my optimism concerning getting the grants or the increases in transfer payments to municipalities was not great. At that time, I said that the chances would be the same as they were the preceding year, little or nothing. I would work, however, towards trying to secure funding.

As the time went along, I was then able, through negotiations with the Treasurer, Management Board, and so on, to secure funding. I said—and I would be pleased to go back and get out the statements—that we were talking about a global transfer payment improvement, not specifically to Waterloo, or Ottawa, or Kenora. We were talking about global transfer payments to this province regarding municipalities, about the proposal that there be a global improvement of five per cent.

Now there was no one, absolutely no one, who misunderstood that remark, because transfer payment increases have been announced in exactly the same way for the last number of years.

If some people wish to say they are going to get a five per cent increase, that is their privilege. But, Mr. Epp, you know very well I said it would be a five per cent global increase to municipalities. Indeed, as a former mayor of Waterloo, you know very well the problem we have to go through, all that we have to do with the statistical information to determine what the transfer payment would be to municipality X, Y and Z. I sure cannot determine it right off the top of my head. It has to go back through the system.

So, if someone tells you they were expecting five per cent, they just had to be trying to take the highest road they could possibly take. I cannot answer it any more specifically than that, because we have handled it in the last decade exactly the same way, announcing global funding first and then specifics as time went along and we got the statistical information from each of the municipalities.

I do not think I have any apology to make to any community. Indeed, I was rather taken aback when one of the people who is very closely associated with the finance committee of AMO

deliberately—I believe deliberately—tried to translate it that the particular municipality they represent was going to get five per cent. Still, when I went to AMO, I expressed to the AMO executive very clearly that we were talking about a global five per cent increase.

As I said this morning, it really came out to about 5.38 per cent global improvement in the transfer payment dollars to all of our municipalities. Stormont, Dundas and Glengarry raised that about my statement at the time. I made it very clear that we were not getting into major changes in the policy formulation.

Do you recall it was your party, sir, that really tried to swing the whole situation? You came out with a great, grandiose statement that the government is going to do this, the government is going to do that, the government is going to do something else, because we were reviewing it.

I have no apologies. I said at the time in the by-election that we had sent out our documentation. It was not confidential. It went to AMO. It went from AMO to the municipalities. The municipalities would review it and give us some opinions on it. It went to various other organizations that come under AMO for some direction as to how we are going to handle the transfer payment situation in this province over the next number of years.

As Jane has expressed to you, one of the complications in our life, and you knew about it just as well as anyone else, is that we did not have the annual assessment factors we have had for years in the past, so the per capita situation was becoming a difficult one to ascertain.

Indeed, if I had to go back and look at what has happened in the last I do not know how many years, population counts have been one of the things that have agitated or aggravated many people. You go into Ottawa or Waterloo or Cornwall—Cornwall has to be a good example—and you give them a population count, and you are into a hell of a fight because they do not agree with the population count. Their situation is that they think that the population figure is considerably higher.

When we get down to the very practical aspects of life, the household situation seems to be much more realistic, because houses do not quite move the same as people. Additional homes are easily tracked through building permits. Homes destroyed by fire or no longer used for residential purposes are usually easily tracked because of building permissions required either for demolition or for improvements or changes to some other type of use.

I said very clearly there would be no harm to any municipality in whatever transfer payment formula we came up with. That was my clear statement, and I think I have lived up to it. The fact was that I did not get it into the mill that it was going to be \$100 per household increase minimum. That was not my statement. That was your statement, your party's statement, your party's position—whichever way you want to put it.

Mr. Epp, I tell you very honestly I thought I answered the question up front and centre. You see, I do happen to know eastern Ontario, Stormont and Dundas. My mother's people came from that area and so I had no reason to go down and try and deceive them with any kind of smoke and mirrors. I answered the question directly when it was put to me, as I did at AMO, as I did here, as I would in any other meeting.

10:40 a.m.

I think we have guaranteed each municipality a minimum of 2.5 per cent increase on their cumulative grant payments of a year ago. That is from the Municipal Affairs and Housing portfolio. I am not talking about the other portions of the government. That was to all municipalities.

Let me go to the last issue you raised. Back in Mr. McKeough's days, I think, the regional government policing grant was brought in versus the single municipal policing grant. He was trying to lever people into looking at establishing regional police forces. There have been a great number of arguments that policing on a regional level was going to be much more costly than doing it on an individual municipality basis.

At the time I am sure that people went through it and they looked at the cost of doing regional policing because of the unification of forces. Some of them would be improving, upgrading their quality of service, if not in manpower at least in the technical aspects and the more detailed analysis, research and so on for crime detection. It would be a much more costly program because of the number of people they were serving, and I guess to some degree maybe the more complicated areas they were serving.

So at that time it was brought in. The only region that did not participate was my own, Ottawa-Carleton. I have to suggest that after roughly 10 years since we had the original police grant brought in, that whatever inequities were being encountered by those regional police forces, the extra police grant we paid over the period of 10 years or thereabouts would appear to have been sufficient to offset some of those difficulties. I would like to have termed it as

break-in money or startup money, call it whatever you wish.

I am the first one to admit to you that the cost of running a police force in Windsor is just as complicated as it is in some regional governments. The one in Ottawa, no doubt, is just as complicated as running the regional police force or whatever other one you wanted to touch on. I thought the time had come. I must say I took the advice of members of the Legislature regardless of which political party they happened to represent; my own colleagues in the Conservative Party made it very clear they thought there were some inequities after this 10-year period.

I am somewhat of the same opinion they are; we had cushioned some of the problems for regional government in policing, so we did go to a more equitable policing grant across the province. As a result of it, as you know, some municipalities—Windsor, London, Kingston, Ottawa and a few other major municipalities that are outside of regions—did substantially better in the transfer payment.

That is a one-year situation. There had to be an adjustment year. I guess this is the adjustment year. I am not sure that I could have or would have wanted to attempt it in stages.

The mayors in most communities complained about the program—I remember Bert Weeks did for years. If we had said to them, "We will increase your grant from where it is now equal to that of a regional police force over a period of say three years," I am sure the argument would have been: "We have had the inequity for X years. Why are you procrastinating for another three years?"

I took the attitude that if we are going to make the adjustment, we are going to do it now, even though the financial pressures on this government and the Treasury would be substantial. The financial benefits to some of those municipalities would be substantial in another direction.

I still thought it was in the best interests of the province that we do it at this time to get rid of that one pain in the neck we have had. You know the number of hours we have spent in this Legislature every year when the unconditional grants bill comes up; we do not talk about many grants outside of the police grant. It went on for hours and hours and hours. Just the saving of the time in the Legislature alone is worth it.

Mr. Epp: What are we going to talk about now?

Hon. Mr. Bennett: The day, the light, the time, the weather, the improvement in the quality of policing in the province. I do not know. I am

sure we will find some way to fill up the hours. It is just one less aggravation.

Mr. Epp: There is a special grant; you spoke of \$4 million or \$5 million in the municipality of Hamilton-Wentworth, for instance. Is this going to be worked in as the base for next year's grants?

Hon. Mr. Bennett: No.

Mr. Epp: Why not?

Hon. Mr. Bennett: That was based on an unemployment factor. It was based on the percentage of unemployment on a 12-month basis. The facts and figures we used to determine what the unemployment rate had been for that community or geographic area, however it is put out, were from Statistics Canada. It was to relieve the community against some of the high unemployment situations it has encountered.

Last year, we tied the special unconditional grant back to the Canada-Ontario employment development program to try to assist those municipalities that wanted to participate in COED, but because of high unemployment and a few other things their financial resources seemed to be not available to the degree of some other communities. If you recall, we tied the special unconditional grant back to the COED program a year ago. This year we just looked singularly at the unemployment situation over the 12-month period and we gave communities grants.

Some communities did very well, there is no doubt about it. It causes some degree of difficulty for the ministry inasmuch as we have communities that come in and say they should have got a grant based on municipal determination of unemployment. We have used Statistics Canada information for the last two or three years. We determined grants last year and again this year on the same basis.

To try and say we are going to take somebody else's figures, we will wind up like the resource equalization grant. The REG started out 10 years ago and has served a couple of handfuls of communities in this province. Because people kept asking that certain things be changed, that this happen or that happen, we eventually wound up with some 700 communities participating in what was a REG.

It is useless, because you are carving off money from other grants that might have been—

Mr. Stokes: You can say that again.

Hon. Mr. Bennett: Sure, Jack, it gets to a point—

Mr. Stokes: That is what I want to get into.

Hon. Mr. Bennett: I think the same thing is applicable here. We have used Statistics Canada

information. We have gone about the province, looking at various communities where they meet or surpass the criteria and have, with the formula, transferred money; but it does not go into the base because it is a special grant.

It is the same as the situation in Hawkesbury where CIP Paper Products Ltd. went out of operation two or three years ago. CIP was a pretty substantial taxpayer in that community and it just walked away. To all of a sudden lose \$200,000 or \$300,000 in absolute taxes—I forget the exact figure; not assessment but tax money—was a fairly substantial shock to that community. Not only does that impact on the community but it put a substantial number of people out of work. It had a double impact.

We went in last year and paid the community \$251,000 and this year we paid \$217,000. Our calculations say that is just about equal to what we believe its tax losses to be in the two years; that is taking the assessment and the mill rate.

In compliment to the municipality of Hawkesbury, its council and its business community in general, a very substantial portion of those people who have been laid off from CIP have been employed in other, smaller industries in the community. Some of those industries have been expanded.

The community still has a little bit of a problem, which I guess is the norm, with people in the 55-year age bracket, because there is a reluctance by other industries to employ them. Overall, the council has a strong record of being able to place most of the people.

There are still some negotiations with CIP as to what will happen eventually to that structure, the water plant and some of the other things down there, but that is going to take a fairly lengthy period to bring to a conclusion.

Mr. Epp: What steps are you taking in regard to the consultative process and to get this information about unconditional grants to municipalities? What steps are you taking to expedite the dissemination of important information to municipalities earlier in the year?

Hon. Mr. Bennett: You mean about the transfer itself?

Mr. Epp: Yes.

Hon. Mr. Bennett: I have said to the Association of Municipalities of Ontario in the past, "If you want me to give you a position in November, I will."

Mr. Epp: What is the condition?

10:50 a.m.

Hon. Mr. Bennett: The condition is that since we are working from a nebulous position—a position which the Treasurer has not determined, and a position on which I, as the minister, cannot come to a determination because there are certain other factors that relate to the provincial funding—you can be sure it is going to be in a downside position. We are certainly not going to have ourselves going up to what we think is the maximum, just in case we do not succeed.

I have told municipalities that in my opinion they should be looking at the transfer payment as being a status quo position of the previous year; whatever they get over and above that is a bonus factor to them.

Mr. Epp: Why not status quo plus inflation?

Hon. Mr. Bennett: Because at times inflation is not even what we are involved in. I am not here to fuel inflation. I do not think anybody should be. The federal government is not there to fuel inflation, because if it were it would tell the provinces the same, that the transfer payments to the provinces would be based on that. They are not telling them that, nor should they be.

Frankly, I have said to them, "If you want me to give you this information ahead of time I am prepared to do it, but I am putting a caution on it."

The fact is, Herb, you and I know that when we bring it down in February, a very substantial number of municipalities have not gotten to the point of striking a mill rate, or even anywhere close to it. Some of them do not even get around to striking a mill rate in May. Therefore, I cannot be impacting on them to that extent.

It is a good thing to go out and say we would like to do this and we would like to do that. In my own municipality, quite often the mill rate is not struck until February or March. I am not sure we impact on them to quite the degree that they have said we do.

I have said to them, and I repeat myself: "Plan on a zero increase. What comes over and above that is a bonus." I constantly argue very strenuously on their behalf to get them money and an increased position.

This province does not have to take a back seat to any other province in this country. We have always increased the grants to municipalities. We have never decreased grants. This province has always built in cushions, even when there were shifts in assessments and shifts created by certain changes in policies and programs.

There may be some small cases, but to the best of my knowledge, the province has always afforded that cushion to make sure the local

taxpayers and the municipal councils are shielded against any extraordinary circumstances taking place.

That is not the situation in all the provinces across Canada. You have only to look at five or six of the provinces where in the current year there have been decreases from what they got a year ago. It is not a matter of standing still, or a matter of zero, but a matter of an absolute reduction in the number of dollars paid out to the municipalities.

We can say with a degree of pride that no one in this province got less than 2.5 per cent. I think it is to the credit of the government, and to the credit of the taxpayers of Ontario, because we have not had any criticism in that area of our spending priority.

Mr. Epp: One of the things I have raised in the past, and I will raise it again, is the fact that a few years ago we met on a regular basis through the provincial-municipal liaison committee. That is defunct, and nothing has replaced it. The municipalities, and the Association of Municipalities of Ontario, have looked for some alternative way of consulting with the provincial government and with the ministry in a more open forum.

Is there anything materializing in this area? Could that be resurrected or some parallel forum set up? It is up to you. When you were Minister of Housing you were hardly ever there, but when you became Minister of Municipal Affairs and Housing, it fell on your shoulders to—

Hon. Mr. Bennett: It is an interesting way of putting it, saying, "You were hardly ever there." You are there. There is a time when you are invited.

Mr. Epp: Well, I remember that—

Hon. Mr. Bennett: I never refused to go when I was invited to discuss housing policies, period. The Minister of Transportation and Communications (Mr. Snow) has never refused to go.

Mr. Epp: You had conflicts on two or three occasions, and you could not appear.

Hon. Mr. Bennett: They would sit on Friday mornings, the same day you fellows think I should be in the House answering your questions.

Mr. Epp: Never.

Hon. Mr. Bennett: I am there on Friday mornings. I do not know about some of them.

Mr. Epp: Some of us have work back in our constituencies.

Hon. Mr. Bennett: So do I, but, as minister, I am expected to be here, while others think they

do not have to be here. Anyway, we meet quite often with—

Mr. Watson: You are not referring to any other members from Ottawa, are you?

Hon. Mr. Bennett: If the hat fits.

Mr. Epp: I do not think the member for Ottawa West (Mr. Baetz) would appreciate your reference, though.

Hon. Mr. Bennett: I have arrangements which bring in the AMO executive and some of its outside members; we meet on a quarterly basis and more often, if AMO believes it is necessary.

Interjection.

Mr. Epp: I am sorry. I cannot listen to both of you. He is trying to interrupt you; so perhaps you should start again.

Mr. Riddell: You would learn a lot more if you listened to what is in front of you and not behind you.

Mr. Watson: That happens in the Legislature too, Jack.

Hon. Mr. Bennett: I was just saying that I meet with them on a quarterly basis, and more often at the request of AMO and its executive. We meet to review certain policies, suggestions they want to make, views they may want to express on certain pieces of legislation and areas they think we should now be trying to pursue to make life a little more comfortable for them and for the municipalities.

The other thing is that when we are asked, as the co-ordinating ministry, we meet with other ministries. Last week, for example, we met with the Minister of the Environment (Mr. Brandt). A few weeks prior to that, we met with the Minister of Transportation and Communications on some issues. We have a fairly consistent meeting pattern.

We work very closely with Alan Dewar, who is in the Ministry of Municipal Affairs and Housing. He brings together ministers or people in ministries. People do not always want to speak to the ministers; they sometimes want to get some statistical or background information.

Mr. Epp: Are these meetings open?

Hon. Mr. Bennett: No.

Mr. Epp: Could they not be?

Hon. Mr. Bennett: No.

Mr. Epp: Why not?

Hon. Mr. Bennett: I feel that if they want to discuss things the government is thinking about—before we get into a public forum and have it kicked about so that it sounds like the govern-

ment is going to do something—it is better that we have some expression of opinion from people who represent municipalities, whether it happens to involve things we are going to do or things they are suggesting we should look at doing.

When the time is right, it is fine to produce it. When it becomes a policy that the government wants to start trying to advance, that is fine. At the point where it is just an informal discussion to get some idea of where the ground is, I believe there is better discussion, more thorough discussion and damned little posturing.

Mr. Epp: I thought the provincial-municipal liaison committee worked pretty well; it was a good forum, and the municipalities were quite pleased with it. Then the province discontinued it.

Hon. Mr. Bennett: I would have to agree with AMO on this discussion; I am not entertaining opening it up, period.

The Acting Chairman (Mr. Watson): Is that all, Mr. Epp?

Mr. Epp: No. I have one other matter. As you know, I have a private member's bill in the Legislature; it has to do with a situation that arose in Wellesley.

A councillor was duly elected; he moved outside the municipality, and, in so doing, had no interest left in the municipality from which he moved. However, because the Municipal Act is so structured, he continues to have the right to sit on council. He has no investment in that community. He does not have a tenancy there, and does not own any property or anything of that nature.

It is my feeling that he should not be able to continue as a member of that council, irrespective of whether he was elected two or three years ago for that position; yet he is able to continue because of what I think is an omission in the Municipal Act.

11 a.m.

A parallel situation would be if I were to move to Manitoba or British Columbia and continued to serve the people of Waterloo North, irrespective of whether I have any investment there at all, from outside the province; or if a federal MP were to move outside Canada and live in the United States and still represent his constituency in Canada.

My own feeling is that he has moved outside the jurisdiction he represents. I am not talking about a ward. I am talking about being elected at large. I am not talking about living in one constituency and representing another one in the

same province. I am not talking about being parachuted or whatever into a constituency in Canada. I am talking about being completely foreign to the general area for which you have been elected.

I am wondering whether you have any intentions of amending the Municipal Act to correct that problem.

Hon. Mr. Bennett: We are looking at it. We are aware of the fact. I guess the act at the moment is a little weak in that case. I guess it is one of the areas that had not even been considered at the time; at least that would appear to be the situation. It is interesting to look at Mr. Gerber, because he did offer his resignation, if I recall correctly.

Mr. Epp: Offered it and was turned down.

Hon. Mr. Bennett: Turned down by the council.

Mr. Epp: Three-two decision.

Hon. Mr. Bennett: It is a five-member council; that would be a majority. If you look at the fact there are five members, you had a full vote.

I gather from reading the newspaper story—I do not know what date it is; I guess it goes back to late May—headlined “Epp Introduces Bill to Prohibit Ex-Resident Keeping Council Seat,” that Mr. Gerber now indicates there are a number of residents of the area in which he was elected who think he should stay on until the next election.

Anyway, I said to you at that time we would be reviewing to see what the legal situation was, whether we can declare Mr. Gerber’s seat vacant at this time or whether it can happen only at the commencement of another nomination meeting.

Mr. Epp: As you indicated, Mr. Gerber did offer to resign and the council did not accept it. My own feeling is that they should have accepted it because he has moved completely out of his constituency. I am not being critical of the fact that the act does not address this, because as I understand it the situation has not risen in the past that way.

I know there are people on public utilities commissions and others who live outside the area, but often they still have some hold in the community; they still own property there and so forth. In this case we are not talking about somebody, for instance, representing a cottage area, which is a somewhat parallel situation.

For instance, in the Parry Sound area they go down in trainloads every year, and some of them from here even represent some of the areas in

Parry Sound. They have a vested interest in that area. They own a cottage and they represent that area.

In this case, if he had continued to hold property in Wellesley it would not have been any problem. The fact is that he does not have any property in Wellesley. It would be different too if he had a tenancy there, an apartment or something. He does not have anything there. He has completely dissociated himself from the municipality, and still he is a member of council.

Hon. Mr. Bennett: The act reads that as long as you are a qualified voter in the municipality at the time of nomination, you are eligible to seek office and retain a seat. I guess the thing is it does not go on to say that if you then remove yourself from being a resident, whether by lease or by ownership in the community or in the township, you would have to forgo your seat.

We will look at it and see what we can bring in. We are already looking at some legal advice on it.

Mr. Epp: Is it fair to say then that if you can legally correct that, you would move in that direction?

Hon. Mr. Bennett: I beg your pardon?

Mr. Epp: Is it fair to say that if you can legally correct that without affecting other parts of the act, you would move to bring an amendment to correct that situation; not only as it pertains to Wellesley, because I am not sure you want to make it retroactive, but in future elections?

Hon. Mr. Bennett: Whatever we do, it would be a provincial policy in the act. I would think we could do it if it is logical and legal. Logical and legal does not always follow one and the same.

Mr. Epp: I thought you were always logical.

Hon. Mr. Bennett: I did not say that, but I said the legal aspect does not always mean—

Mr. Epp: You are not always legal?

Hon. Mr. Bennett: I know some days I intend it, and I am not sure whether it—

Mr. Epp: So you would give an unqualified yes now to bringing in an amendment to that?

Hon. Mr. Bennett: No. I did not give an unqualified yes. I gave a qualified yes, if I have all the legalities in order. I do suggest to you that it would likely be effective from December 1, 1985; which is the election, as I recall, or the date of office.

Mr. Epp: I am not asking for any retroactivity. I am just saying we should deal with it, and it has just come to the fore.

Hon. Mr. Bennett: There are other ways, you know. If I understand correctly, Ron, there are other ways the electorate could attempt to do something now, but it would be illegal.

Mr. Farrow: They can go to the county court judge and ask him to declare the seat vacant. Let them see what the court says.

Mr. Epp: Yes, but it is always expensive. Let me ask you: if they do decided to go to the courts, would the ministry pay their legal bills?

Hon. Mr. Bennett: No.

Mr. Breagh: You are fairly decisive on that part of it. You are kind of wishy-washy on the rest of it, but you know your business there.

Hon. Mr. Bennett: I am not wishy-washy on any of it, but I am not getting into the business of paying everybody's legal bills. I had that experience in Pickering.

Mr. Breagh: After that, this would be peanuts.

Hon. Mr. Bennett: That is right, in comparison.

Mr. Epp: I am finished for now.

Mr. Stokes: Mr. Chairman, at the outset, I want to say how refreshing it is once again to have a minister who is obviously knowledgeable about his ministry. We may not always agree with him, but at least we do get answers; and the fact that he has brought some of his lieutenants along with him is a departure from what we have seen in resources development committees of recent vintage.

I would like to say—I am entirely out of order, Mr. Chairman, but I am going to say it anyway—how much I appreciate the assistance of the minister, the ministry and Mr. Pitura in getting those senior citizen apartments under way in Nipigon. The ground has been broken, the surveyors are there and things are going along apace.

Hon. Mr. Bennett: I am going to ask, Jack, if you have your application in.

Mr. Breagh: See what happens when you try to be nice, Jack.

Mr. Stokes: I want to say to you what I say to anybody who is so ungracious as to even bring that up.

Hon. Mr. Bennett: Jack, I have got mine in.

Mr. Stokes: The reason I am departing this place is so I can devote more time to the things that turn me on and establish my own priorities, and I am going to get into one right now. I am going to be monitoring you beggars even more closely than ever on the things I consider to be top

priority on behalf of not only the people of Lake Nipigon but also everybody else in northwestern Ontario. So if you think you can relax, you had better disabuse yourself of that.

Hon. Mr. Bennett: No, never. I know one of the things Jack will likely be doing, because he supplied me with a whole raft of them a year or two ago; that is all the polished stones from rock up in northern Ontario.

Mr. Stokes: That is one of my aberrations that I am going to get into much more intensely; and if you need any more, just give me a call.

Hon. Mr. Bennett: Thank you very much. I might just do that. Well done.

11:10 a.m.

Mr. Stokes: However, last fall during these estimates I raised a situation that was particularly vexing, but nothing was done. I tried to inoculate you and your officials to this continuing and ongoing problem, and obviously the inoculation did not take because nothing has been done. The problem has been further aggravated, and I feel compelled to raise it once again because it is becoming much more serious and much more widespread.

I want to share with members of the committee a letter I received from the township of Manitouwadge, dated May 4 of this year. It is signed by Silvio Cortolezzis, the reeve of the good township of Manitouwadge. He says:

"I am writing to inform you that the Township of Manitouwadge will soon be presenting the 1984 Municipal Tax Requisition to industries, businesses and home owners within its jurisdiction.

"As you are well aware the financial responsibilities associated with rapid growth on the municipalities involved with the Hemlo Gold Discovery are enormous. The consequence is an increase in the 17 to 19 per cent range for the combined school/municipal levies for this year. Furthermore, we are projecting additional major increases in future years to meet the challenges of development.

"The taxation dilemma in Manitouwadge is really quite simple. It has long been our conviction that the formula used to generate municipal taxes from underground mining operations is unfair to our industry towns, especially in the context of Manitouwadge. Since we are a small municipality we must share with others as partners in regional bodies such as the Thunder Bay District Health Unit, The Home for the Aged, The Lake Superior Board of Education, The North of Superior District Roman Catholic

Separate School Board, the Children's Aid Society of the District of Thunder Bay. When comparing our tax burden with sister municipalities within the same region, the case for assistance to the taxpayers of Manitouwadge becomes self-evident. At present, home owners in our town must pay the highest school taxes in Northern Ontario....55 per cent of the total residential levy. We are getting hurt on two fronts, local and regional. With the respective assessments in excess of \$25 million placed on the James River Property in Marathon and the \$29 million on Kimberly-Clark in Terrace Bay the residents of these two communities pay approximately 30 to 35 per cent of each dollar needed for all purposes. In the case of Manitouwadge the reverse applies, home owners are asked to 'carry the guilt' to the tune of 65 per cent of the total raised. You see, Mr. Stokes, Noranda Mines Ltd. is assessed at \$6 million.

"The province provides a Resource Equalization Grant of \$37,077 to compensate for lost revenues. This payment is made in lieu of allowing us the right to tax underground wealth. Our figures indicate that for a 10-year period the total Grants received by the Township of Manitouwadge increased by \$144,750 or only 39 per cent while our costs have quadrupled during that time."

As a result of that letter and consultations I had with those municipalities associated with the development in the Hemlo area, I wrote a letter to the Premier (Mr. Davis), to you, Mr. Minister, to your colleagues the Minister of Education (Miss Stephenson), the Minister of Northern Affairs (Mr. Bernier) and the Minister of Revenue (Mr. Gregory), because if we are going to find a resolution to this problem, it is going to be a collective effort from all of those ministries and ministers I mentioned. I am going to read the letter into the record because I think it is important for all members of the ministry and members of this committee to appreciate the dilemma those communities find themselves in.

In response to questions posed to the minister by the member for Waterloo North (Mr. Epp), the minister said no community would receive any less than 2.5 per cent this year over grants that were available to them for last year. With a quick calculation, and I have all data before me, that appears to be correct. The minister said there was a fund in the neighbourhood of \$4 million to \$5 million to assist municipalities that were troubled with an unemployment situation and, therefore, he has a built-in unemployment factor

for those communities. That is fine and dandy. I have no quarrel with that.

Our problem is that we are faced with a shortage of money to provide services resulting from development and the creation of new wealth.

If members have been following the financial pages in recent times, they will notice that they are adding to the value of that gold deposit. The latest estimate of its value, at the present price of gold, is in the order of \$10 billion to \$12 billion of new wealth, and counting.

There are municipalities, responsible for the provision of services as dormitory communities, which lack the ability to tax that new wealth, yet they comprise the only level of government that is not going to benefit directly. The provincial government is going to benefit by way of sales tax, corporation tax, mining tax and mining royalties; all ways in which we have the ability to tax a resource.

This applies particularly to a nonrenewable resource, a finite resource with which, from the first day we take a ton of ore out of the ground we are that much closer to the day when we have to walk away from it and find an alternative, or move a great many people somewhere else.

That caused me to write this letter to the Premier, to you, sir, and to the ministers of Education, Northern Affairs and Revenue.

"I am bringing to your attention two problems that have been plaguing the municipalities of Manitouwadge, Marathon, Terrace Bay and Schreiber and the Lake Superior Board of Education.

"The attached tax requisitions for the year 1982 indicate the unbalanced and unfair predicaments in which residential taxpayers in Manitouwadge find themselves.

Residential taxpayers of Manitouwadge pay the highest education taxes in northern Ontario; 55 per cent of the total residential levy for all services."

I mention the situation vis-à-vis Manitouwadge as well as other communities and other industrial taxpayers, so I will not bore the committee with a repetition of that. I go on to say:

"You will note that section 86 (now section 63) across the board for all classes in all four municipalities would mean a 15 per cent increase for industrial taxpayers in Terrace Bay, a 46 per cent increase in Manitouwadge and a reduction in Marathon of 38 per cent. If the same was implemented for class 3 commercial taxpayers, Schreiber would increase by 62 per cent and that of Manitouwadge would be reduced 36 per cent.

In the class 2 commercial it would mean an increase of 14 per cent in Terrace Bay, a 74 per cent increase in Marathon and a decrease of 32 per cent in Manitowadge. A section 63 across the Lake Superior board's jurisdiction for residential taxpayers would mean a 99 per cent increase in Schreiber, an 18 per cent increase in Terrace Bay, a 14 per cent increase in Marathon and a 44 per cent decrease in Manitowadge.

"The Lake Superior board taxation summary for 1984 means an increase of \$198,936 for Terrace Bay, which represents an increase of \$159,149 for Kimberly-Clark. The increase for Marathon is \$150,269, with James River Pulp and Paper picking up \$105,189 of that amount and an increase of \$130,129 for Manitowadge, with Noranda Mines paying \$81,981 as their portion.

"Kimberly-Clark's share of the total budget is 32 per cent, James River is 21.6 per cent, and Noranda Mines' is 14.9 per cent."

11:20 a.m.

The point I am trying to make is that you have three industrial entities. There is Noranda Mines, which will be the first one into production, spending something in the order of \$230 million to develop its ore body. The company will be using Manitowadge as its bedroom or dormitory community.

Since the mine is about 34 miles from Manitowadge, there is no ability for that municipality to assess the very industry that is causing these development problems for the municipality.

The other two companies which have indicated they will also have mines in the area—namely, Lac Minerals Ltd., which has the largest ore body in terms of volume, and Teck-Corona—have chosen to use Marathon as their dormitory or bedroom community.

As near as I can guess in talking to the mining companies, there will be 1,000 new permanent jobs for the life of that ore body, after construction is completed on all three of them some time in 1985 or 1986. It could be higher than that, depending on what they come up with by way of exploration.

Those three industries estimate they will be there for at least the next 20 years, and probably longer if they produce tonnages at the rate they have estimated to this point.

So we have these two bedroom communities that are charged with the responsibility of providing all infrastructure services—water, sewage, streets, lighting, hospital facilities, educational facilities, garbage, additional police pro-

tection; all the services that are the responsibility of municipal government—without any ability whatsoever to tax those resources, without putting pressure on themselves for this additional assessment.

Most people would say, "Your problems are problems of growth, of affluence, of creating new wealth." That is true. We welcome the development that is taking place. It is providing new employment. It is providing—I was going to say a better economic base, but that would be misleading. The minister well knows that because of the inability of those municipal entities to tax that resource, it is putting pressure on them to provide additional services.

I have raised this with him before. I have raised it with his officials. I have raised it with our colleague the Minister of Northern Affairs and I suggested that perhaps we should set up a heritage fund, a tomorrow fund, a resources fund to help communities such as Manitowadge and Marathon over the rough spots.

That has not happened. The Minister of Northern Affairs says: "That is what we are here for. If communities have problems with growth, they need only sit down and talk with us. We will come up with some form of bridge or interim funding and help them over the rough spots."

To date, Manitowadge has received something in the order of \$30,000 to \$35,000 to help it with upgrading its official plan and to help it with zoning for light industry, commercial and residential development. Marathon has been able to get about \$70,000 from the Ministry of Northern Affairs to help pay the expenses of an economic development officer over the next two years. Other than that, everything is up in the air.

Look at the estimates for grants for the year 1984 under the Ontario Unconditional Grants Act. This one is dated April 18, 1984. It is from the Ministry of Municipal Affairs and Housing, and it says: "The following 1984 estimated grants are based on the information from the 1983 analysis of taxation and the 1983 estimates of revenue fund revenue (yellow questionnaire) submitted by your municipality last year.

"As usual, the final calculation of the 1984 unconditional grants will be based on your audited 1983 financial information return and will be completed in the fall. Please note that the provincial estimates below should not supersede your own 1984 grant estimates, as you may have been using more accurate information."

Based on this tentative estimate, they can anticipate the following: "A resource equalization grant of \$37,077, a general support grant of

\$75,000, a northern special support grant of \$226,000, a per household general grant of \$28,000 and a revenue guarantee of \$144,000, for a total of \$512,250."

If we go back and look at the same document for 1983, the resource equalization grant was \$191,647, which is quite a difference from what they can expect this year by way of a resource equalization grant of \$37,000.

If we go back to 1982, the resource equalization grant was \$179,000. If we go back to 1981, it was precisely the same figure, \$179,520; and so it goes. I have the grant figures for as long as the resource equalization grant has been a factor in the sharing of municipal tax moneys with the province.

Members will know that prior to the introduction of the resource equalization grant, we had mining revenue payments. Our good friend Darcy McKeough saw fit to discontinue those and bring in something much more relevant, namely the resource equalization grant. As the minister so aptly pointed out in response to the question of the member for Waterloo North, initially it was designed to deal with specific communities that had problems similar to the ones I am raising with you now.

By your own admission, it has become so bastardized, I suppose, that now everybody can lay claim to it. The problem is that in northern Ontario there is no broad economic base. There are one-industry towns, some based on the forest industry, some on the mining industry, and in the case of mining communities one is dealing with a finite resource. We cannot treat mining communities as we treat agricultural crops and trees. If we manage our forestry resources wisely, as long as we husband them well, they will always be there.

That is not the case with mines. All we have to do is look at communities like Atikokan, like Beardmore, to some extent Geraldton, and to a large extent Pickle Lake. I am sure regional officials can tell us how they agonize with the municipalities as to how to get over the rough spots when world market conditions for minerals cause those people to close out their operations, sometimes on a temporary basis and sometimes on a permanent basis.

11:30 a.m.

What I am asking initially, and I have discussed this with some officials who are much closer to the situation than the experts down here, is that the board of education and municipal officials sit down and talk with the appropriate ministries down here to see if they cannot come

up with a formula that will replace these resource equalization grants, general support grants, northern special support grants, the household grant, and then a revenue guarantee.

The resource equalization grant certainly has not served Manitowadge well, with a reduction of \$191,000 from last year to \$37,000 this year, made up only by a revenue guarantee; which is very flexible and I do not know how anyone can get a handle on the darn thing.

Mr. Close, along with others in your ministry, is knowledgeable about municipal financing. I can think of one in your ministry, a chap by the name of Ken Bowman, who was up in Thunder Bay working very closely with the municipality of Ignace, which was faced with the same difficulty of being a bedroom community for Mattabi Mines, way up on Sturgeon Lake, 47 miles away, without any ability to tax that resource. They were thinking of annexing it, even though it was 47 miles away. That did not seem to be a workable solution.

The fact remains that the township of Manitowadge is under supervision, albeit voluntary supervision, by your ministry. Ken Taniwa goes down there on a regular basis from your offices in Thunder Bay. Literally, the fastest growing community in northern Ontario cannot even blow its nose but what they ask your ministry, "May I?"

I realize there has to be supervision when municipalities get themselves into hot water, and they do have a cash flow problem. They also have a development problem that is not going to go away.

We are not going to say to those three mining companies that they have to go away and hide until Manitowadge gets its financial act together. That is just not an acceptable approach. They are creating an awful lot of new wealth that will accrue to the provincial and federal coffers without one penny going directly back to the level of government in those municipalities that is charged with the responsibility of providing those services.

Will you sit down with your senior officials here, people in the region, along with the Ministry of Education, the Ministry of Revenue, the Ministry of Northern Affairs, and have a complete review of this situation, so that local taxpayers are not charged with the responsibility of generating new tax revenues of 17 to 19 per cent, when you are giving a 2.5 per cent increase?

I hate to be coming down here all the time and saying, "We are so much different from anybody

else, so we should be treated much more generously." The fact is that we are, collectively, up there, creating a hell of a pile of new wealth. All we want is for you people to sit down with all of those affected and make sure that some of the new wealth—and I am not talking about imposing an additional tax; all I am asking is that you devise some scheme other than those I have mentioned of resource equalization grants, support grants, special support grants, northern support grants, general per household grants, and a revenue guarantee.

Come up with a kind of formula that will assist those communities in meeting their developmental problems. Everybody in Ontario, everybody in Canada is benefiting from that development at the expense of local residential taxpayers. I want to know if you will undertake to do that.

Hon. Mr. Bennett: First of all, my answer is yes. Clearly, the discussions you have had with some of my ministry personnel and with other ministers have indicated they believe they should be looking at things.

I do express thanks to you for your remarks related to the staff, because I think the staff is a very competent group of people who try to resolve the problems, whether they be in the southern or northern part of Ontario. Because there are members like yourself who will take time to talk to them about it on a logical basis, I think it helps them in trying to function and find a solution to some of the difficulties.

I am not unmindful of some of the problems that Manitowadge and Marathon have, nor has the government been unmindful, in the past or the present. The guarantee we offered to Manitowadge this year amounted to about \$160,000.

Mr. Stokes: It was \$144,000.

Hon. Mr. Bennett: If you take in the overall, global transfer payments, it is about \$160,000, so that your position gave you the 2.5 per cent and a guarantee of everything you got a year ago.

I said earlier that one of the things with resource equalization was that it got out of whack because everybody and his brother came trooping in and it was easy to change this, change that. The next thing you know it has about as much backbone as a fish hat; it just goes any which way it wants to.

I do think it must be one of the cautions we must take so we do not get ourselves back into—and I do not want to appear to be negative—the position we were at with Elliot Lake.

If you recall, not so many years ago, we went in, federally and provincially, and we did a lot of things. All of a sudden, somebody turned around and asked, "Why did we do all this?" The market fell away, the whole world condition changed considerably and as a result—well, I remember the first year I was the Minister of Industry and Tourism and I was taken on a tour of Elliot Lake. I guess half or 60 per cent of the homes were boarded up. People were asking what was going to happen to them.

It was a fact that everybody came in, in a first blow-through, thought it was a great thing and got themselves excited. I just think if we are cautious in whatever meetings we have and whatever discussions we have, we do not get ourselves motivated to such a point that we overdevelop and then try to figure out why we have done it, if all other things do not follow.

Let me give one or two other positive points on our concern for both Manitowadge and Marathon. In 1984, taking the total unconditional grants to Manitowadge, it would receive \$535 per household; Marathon would get \$557 per household. If you were to compare that against the average for Ontario—and that is north, south, east, and west—we are talking about \$212 per household.

Then if we went back to the north part of the province and were to take the average in northern Ontario, we have \$498. If I was to do just the smaller municipalities in the north and exclude Sudbury and the major cities, the northern average drops to \$404. If you compare that to \$535 for Manitowadge and \$557 for Marathon, against \$404, I think there has been a recognition of some of the development problems that require funding.

I am not unmindful of some of the difficulties you have with the board of education. You have written to us, we have had discussions with Bette, and so on.

If you go back 10, 12 or more years ago, I think we were into somewhat the same situation, where there were some very questionable allocations of funding, or apportioning of funding. I think we got it straightened out; and then I guess over the years the board of education, for one reason or another, allowed things to get jacked around—I do not mean you—to the point where it became questionable as to whether the correct apportionment was taking place.

11:40 a.m.

So, Mr. Stokes, I have no hesitation in saying to you that our staff is attempting to meet with people at the municipal level and the board of

education is trying to determine whether the apportionments going back to Manitouwadge and Marathon are correct.

I am not going to express a view as to what we think, at the moment, but you might read into that. They will be doing some analysis of the situation and trying to come to a determination that would be fair and equitable to those municipalities or communities that are participating with the board of education in the educational funding.

Regarding the other question you asked, about the northern affairs education revenue in my own ministry: yes, we would be pleased to sit down with the municipal people or whomever else.

Mr. Stokes: A lot of problems can be rectified if certain assurances were to be given by the Ontario government, and if there was a more even distribution of the cost of providing services, especially education services. I am not saying you should spend your money to do that. We are asking for a more rational approach to the equalization grant factor, because let me tell you, there are some inequities that the local people have to come to grips with.

Just to highlight that, the residential taxpayer in Schreiber, where I live, will pay \$269.50 for education in 1984. In Terrace Bay, for essentially the same square footage, the residential taxpayer will pay \$376.59; in Marathon, \$408.27; and in Manitouwadge, \$656.99. The problem is that we have to get these taxpayers on the same base, using the same base year for assessment. But when we are doing that, we cannot deal only with the residential taxpayer; we have to deal with the class 2 and class 3 commercial taxpayer and the industrial taxpayer.

If you did that across the board, Schreiber would come up to payments more in keeping with the level of services it is getting for taxation; but if you do that across the board, then—and I quoted the figures on how that would impact if you did an assessment using the same base year on all classes of taxpayers.

The residential taxpayer in Schreiber does not have an industrial base, because railroads, as you well know, get a free ride in this province, and I guess in this country, for some strange reason.

Look at the piddly amount of taxes Canadian Pacific pays. It is something in the order of \$33,000 or \$35,000 for all of their tracks and all their other installations, in a terminal like Schreiber. Compare that amount with the tax take we get from Kimberly-Clark in Terrace Bay or from the James River Corp. in Marathon.

Then there is the free ride Noranda Mines gets because you can only tax what is above the ground. There are millions and millions of dollars of investment below ground to extract that ore. The freest ride of all is being taken at Hemlo, where you could not touch them with a 10-foot pole.

But if we solve the local problems by getting everybody on the same base for assessment purposes, Noranda Mines in Manitouwadge, Noranda Mines in Hemlo, Lac Minerals in Hemlo and Teck-Corona in Hemlo get a free ride; Kimberly-Clark will come up with another \$160,000 on an already hefty tax bill and the same thing will apply to James River.

Some of the problems we can solve locally, but we need somebody to pull them all together. I am asking if you will undertake to do that, and get everybody sitting around the table.

I could spend the rest of the day documenting why something must be done to achieve equity in the taxation system for those people who are forced to provide these additional services, and that is all I would like to say on the matter.

Hon. Mr. Bennett: You hit on one of the key things we were talking about just a moment or two ago and that is the educational apportionment, whether it is correctly done or whether it is carried out on the basis of saying: "If we do this, Manitouwadge and Marathon, since you are smaller, with your leverage down at Queen's Park it might be better for you to go down. We will slap it against you so you go down there and you can exert a little more pressure. Because such a heavy burden is coming upon such a small municipality, you will likely get a greater degree of sympathy."

Mr. Stokes, it may be that a little more fairness within the community itself, one to the other—I am my brother's keeper to some degree—would be appropriate. That is one of the areas we will review, because we think it has gone out of whack back to where it was 12 or 13 years ago.

Mr. Stokes: You will recall I raised it last year and I thought maybe some initiative would have been taken. It is just an intolerable situation now.

I am pleased to hear you say your ministry can act as the lead ministry, because your people are much more competent to deal with these complex and complicated matters.

Hon. Mr. Bennett: I was going to ask Martha, do you have anything to add to that?

Mrs. Sypnowich: No, I do not think so.

Mr. Breaugh: I have a few questions I wanted to ask.

Mr. Chairman: Mr. Sweeney wanted to be on, I believe.

Mr. Sweeney: Go ahead for now.

Mr. Breagh: I wanted to get into municipal finance a little bit more, but it is a little late in the day to do that so I will set that over for tomorrow night. There is one thing around municipal finance I would like to explore a little bit, and a couple of other related items that maybe we could take care of this morning.

A number of municipalities have asked if the ministry is considering some kind of guarantee to the floor of the unconditional grants this year, and whether that kind of a guarantee of a floor to the unconditional grants would be extended into subsequent years.

They are probably talking about something that would go along the lines, at some point this year, of the ministry announcing they will put maybe a floor and a ceiling on municipal grants for the three-year or five-year period that is forthcoming.

Some have talked about simply taking the 2.5 per cent floor you have put in this year's unconditional grants and extending that over a three- or five-year period and giving them some indication at least of a bottom that is guaranteed for the foreseeable future.

I know that has been discussed at Association of Municipalities of Ontario committees and I know the minister has had several private chats with people from municipal councils around Ontario. Is that really under active consideration?

Hon. Mr. Bennett: They asked about certain long-term guarantees, in which I said I am not prepared to get involved, obviously, because it is, to be a little more descriptive, like going back to the Edmonton formula.

Mr. Breagh: We all know what happened to that.

Hon. Mr. Bennett: Yes. What happened to it is what should have happened to it. I could be very much more vocal about whether I think—

Mr. Breagh: You are so vicious in your treatment of Darcy McKeough, it is terrible.

Hon. Mr. Bennett: It was not Darcy.

Mr. Breagh: That is right, it was John.

Mr. Epp: It was John White.

Hon. Mr. Bennett: I remember sitting down with the federal, provincial and municipal people in the Sheraton Hotel just shortly after it was opened, talking about the Edmonton formula. I think Charlie MacNaughton was the minister for

a short time and then John White came along, or it was John White and then Charlie; I forget the sequence of events.

Mr. Stokes: Charlie went before John.

Mr. Breagh: How quickly we forget.

Hon. Mr. Bennett: That is right. Traditionally, this province, if they changed formulas or ways of calculating grants and so on, has gone on record as making sure that municipalities did not get affected unless there were other extenuating circumstances which might have an impact on the community. If it basically was the formula, they have offered the position that they would be secured in their position.

11:50 a.m.

I have no reason in this world to believe it will be different, but I am not prepared to say we will have 2.5 per cent or five per cent, or some other figure, guaranteed this year, next year and the year after.

I said to Mr. Epp this morning—and I will use the same expression to you—that I think most of them can work on a premise of funding in 1985 similar to what they had in 1984. Whatever I may be able to succeed in extracting from the Treasurer (Mr. Grossman)—I think extracting is the appropriate word—will be to the benefit of the municipalities and shared on the formulas we have.

Mr. Breagh: I take it from that, then, that you are not prepared to negotiate any kind of a—

Hon. Mr. Bennett: I am prepared to discuss it with anyone, I have said that. We have a letter going off to the president of the Association of Municipalities of Ontario right now in response to a previous meeting we had. Yes, we are prepared to sit down and review certain things AMO would like to look at to see what possibilities there are.

I certainly do not rule out of hand that there might be some way of giving them more comfort, but I have not seen all of their suggestions or ideas. Whether I sit with them personally to start with, or whether I have my senior staff meet with some of the senior people of AMO and then get down to some of the finite things, eventually we can meet at the elected level and see whether what they are asking for is a possibility.

Mr. Breagh: So you may negotiate variations of this idea, but you are not prepared to accept this kind of floor proposal.

Hon. Mr. Bennett: Let us say it is a good discussion point.

Mr. Stokes: He has not said no.

Hon. Mr. Bennett: Jack, as long as you never get that answer, there is always light.

Mr. Breaugh: I have a couple of other quickies that maybe I could work in this morning.

Hamilton-Wentworth, among other municipalities, has asked you to address yourself to the rather vexing problem of regional chairpersons. Probably the biggest plum in Ontario has now come open, chairman of Metro Toronto. I was thinking of applying for the Metro chairman job, but it would inhibit my ability to speak on the Barrie-Vespra bill, so I just cannot at this time.

Hon. Mr. Bennett: We appreciate that. We would not want you to diminish your opportunities in any way.

Mr. Breaugh: I thought so.

Rumour has it you are prepared to respond, in the foreseeable future, to this request from Hamilton-Wentworth in one or some of the municipalities to see whether there might be some variation of direct election of regional chairpersons. Nowadays, to get it started it is a back room appointment and thereafter the council has a kind of indirect election process.

With the vacancy created here in Metro, it now seems there is an opportunity to do something. It would, at least, address itself, however you might approach it, to the rather vexing problem that the most powerful political job in the Metro system is an appointment. Nobody, not even indirectly, gets to elect this person.

I would be interested in your comments on those two related items: the Metro chairman's job; and the response to several of the regions now which have at least talked about some form of direct election and one which has, to my knowledge, formally asked for it.

Hon. Mr. Bennett: I am not opposed to the idea of the Metro chairman being elected from some particular level, and I mean elected beyond the members of a regional council or a metropolitan council.

I am opposed—and I made this very clear before—to seeing a chairman elected on a regional or metropolitan-wide basis. It becomes an astronomical task, both financially and physically. I think you would get yourself into a position which, if you think it is powerful now, would become even more powerful. The interest would be hard to describe.

The press called me this morning about what Mr. Godfrey describes as the third most important job in Ontario. He said the Prime Minister was first, the Premier of Ontario was second and he thought his position was third.

Mr. Stokes: He even put himself ahead of Peter Loughheed.

Hon. Mr. Bennett: He governs more people. I am not sure what the Metropolitan Toronto budget is, but I would think it might come close to rivalling some provincial budgets—there are many provinces in this country that would not have as big a budget as he has as Metro chairman.

The press asked me what my views were on doing something on the election of the chairman and I want to make very clear what I expressed to them. I said to the press that it is a personal position. I have not taken my views in a written form to cabinet, but I think it is worth trying to respond to the elected members who are somewhat agitated by the way we currently select a regional chairman or the Metro chairman.

Mr. Breaugh: Maybe you could explain to us how that is done.

Hon. Mr. Bennett: What?

Mr. Breaugh: How you currently would select a new Metro chairman.

Hon. Mr. Bennett: The current one will be selected on the old process. The members of the Metro council will, in an open vote of council, determine whom they wish to have as their next chairperson.

Mr. Breaugh: Delivered by the tooth fairy; come on.

Hon. Mr. Bennett: I do not know what you mean by that, because I have to tell you that if what I read in the newspapers has any degree of accuracy, it seems to be a wide open field. That is not my concern. That is the concern of that council and I leave it at that.

Mr. Breaugh: Oh.

Hon. Mr. Bennett: It is not my concern—

Mr. Breaugh: Yes, I know.

Hon. Mr. Bennett:—and I thank God for that.

Mr. Epp: You are probably the most disinterested person in the province on that.

Hon. Mr. Bennett: No, I would not want to be classified as that, Mr. Epp. I would like to think—

Mr. Breaugh: I am not sure about your anonymity.

Hon. Mr. Bennett: What I was getting at is that I do not believe they are going to extend me the privilege of going down and casting a ballot.

Mr. Breaugh: I do not think you even need to.

Hon. Mr. Bennett: I am pleased at hearing how much influence you think I happen to—

Mr. Breagh: Let me say that I think you are the fourth most powerful person in Ontario.

Hon. Mr. Bennett: Thank you. Grossman will be upset to hear that. Let us get back to the subject at hand.

Let us look at things in a comparative position for a moment. I have said that I thought a person going for regional chairman or Metro chairman could be from another elected council and retain his or her seat on that council, save and except if he or she is the chief magistrate of the municipality.

I excluded it from being taken on by a mayor of Etobicoke, a mayor of Scarborough or a mayor of East York. I do not want to say any one mayor because I would be taking—

Mr. Breagh: What do you have against Mel Lastman? He is the mayor of one of our largest cities.

Hon. Mr. Bennett: North York. I just think to be the mayor of a major municipality—

Mr. Stokes: I think Dennis would get the nod there.

Mr. Breagh: Did you say that Mel is off the list already?

Hon. Mr. Bennett: You are going to get me to the point where anything I say will be taken as good, bad or indifferent for the candidates.

Let us just take an alderman. He or she could allow his or her name to stand and if elected would retain both positions, including the one at the local level which is where they are elected and where they are answerable to a part of the voting population. One can never say they are out of touch.

I use that as a direct comparison to being the member for Ottawa South and being a member of the cabinet. I retain both positions. For one I am chosen by the people who elected me and the other is by the choice of the Premier appointing me. If he is a federal member and a cabinet member, he has the two political responsibilities. He has an interest in seeing that his constituents are looked after. He also has the greater interest of seeing how the policies and programs he has a part to play in affect the province, the federal level and, in the case of the chairman, the metropolitan regional area.

I thought that might be a solution or an answer, to try to have someone at that senior position accountable in a direct way to a portion of the people who are on the voters' list.

Mr. Breagh: You are saying Dorothy Thomas has the inside track.

Hon. Mr. Bennett: It may even be a mud track, for all I know.

Do not take that as being a provincial policy decision.

12 noon

Mr. Breagh: Okay. Let me ask you one small question, local in nature.

The chairman of the region of Durham has been engaged for some time in a deal with the Minister of Government Services (Mr. Ashe) whereby the chairman will fulfil the dream of building the new Taj Mahal for Durham. He wants to move out of the current regional headquarters and build the ultimate regional headquarters, probably somewhere in Ajax or Whitby or some such place.

The city of Oshawa has done a bit of homework and discovered that, lo and behold, when there was a transfer of assets and liabilities, someone forgot the city of Oshawa has title to something in the order of 30 per cent of the regional courthouse, because the city put some money into the kitty when it was built originally and got a portion of the title in its name.

Now the problem is that it would be one thing for the council of the region of Durham to sit down and make up its own mind about whether it will build a new regional headquarters, where it might be sited and what the financial transactions and the obligations and all that would be. It is quite another matter, however, when it has to do battle with the deal-makers at the province of Ontario.

Most of the people on the council are saying it would be really nice if the Minister of Government Services would take his snout out of that deal, let the council of the region of Durham resolve this issue on its own, make up its own mind and just proceed in that manner. The difficulty, as you may have observed yesterday, is that the minister feels his snout is properly in place and it is his role in life to participate in the building of this new regional headquarters.

I would be interested in knowing what little role you, as Minister of Municipal Affairs and Housing, are playing in this deal-making process.

Hon. Mr. Bennett: None.

Mr. Breagh: None. Do you not think it would be nice if you just kind of intervened with your cabinet colleague and said: "Just back off a little here, George. Let the regional council decide how it might like to proceed in this matter and then we will see how the transaction will lie"?

Hon. Mr. Bennett: I have never known that if Gary Herrema, Allan Pilkey, Jack Anderson—

Mr. Breagh: Yes, they are a meek and mild group.

Hon. Mr. Bennett: They are, yes, very—took it in their minds to tell Claude Bennett or Bud Gregory or George Ashe to butt out, their vocabulary would be such that it would be misunderstood. Whether or not the word “nice” is applicable, I would suggest that no, I do not think it would be nice for me. I think they have the wisdom and strength to make their position clear.

I have not been asked for any advice or to participate. I have usually found that sticking your nose in where it has not been invited only gets you a black eye—whether you play tennis or other things, as some people will tell you.

I just want to make one point so there will be no misunderstanding. When the press asked me today, I said to try to make an amendment to accommodate this stuff in the next five or 10 days is not very logical. Anyway, I would think that if there was any change, that would take place on the advice or recommendation of the executive council of Metropolitan Toronto and should be applicable to the next full term of the chairman and not in a portion of the existing term.

Mr. Breagh: On that matter, then, you are saying let us fill out this term and then if we are to review the process, it would be applicable to the subsequent one.

Hon. Mr. Bennett: Again, it is a personal opinion. I think it would be well for the executive committee to suggest to whomever it might be looking at it that this is what it is going to recommend. The council might want to say this is what it is going to recommend and take note.

Mr. Breagh: Let me just go back to the little regional headquarters squabble. I am caught on side with Sammy Cureatz on this matter, but I think he is right.

Hon. Mr. Bennett: If I understand what you are saying, your chairman has asked us to look at the legislation, which is strictly technical, on why they have not got title.

Mr. Breagh: That is right.

Hon. Mr. Bennett: We are in the process of looking at it.

Mr. Breagh: Uncomfortable as I am to be on side with the member for Durham East (Mr. Cureatz), I think we are reading the local elected population and the population as a whole correctly, when we say if there is going to be some major move—and I do not think there is any

question that one does not build a regional headquarters cheaply, and the need for it is one which has not really been determined by the council.

I think our concerns centre around the fact that a deal is in the process of being struck here, as opposed to the regional council saying to its electorate, “Here are 95 good reasons why we need a new regional headquarters, and here is the justification for spending however many millions of dollars.” There are some reasons which you can talk about which make some sense in that regard, but I would guess a facility of that kind would cost in the order of \$10 million to \$20 million.

Our concern is that an end run is under way, at least whereby some kind of sweetheart deal will be put together by a minister of the crown who will then put on the council table out there: “Here is the deal, men and women. We are going to do some kind of a tradeoff around the judicial building or the courthouse which is attached to the regional headquarters.” There is some kind of sweetheart deal being worked up that would offer them some advantage here and there. We are going to get into a monumental legal squabble over all of it.

It seems to me that it would be in your own best interests in the long run to simply intervene with the Minister of Government Services and say: “Hold it, George. Let the region of Durham make its decision.” Then approach both ministries if you want, to sort out what the financial obligations might be.

My concern is that this deal-making process is going to fudge completely the issue as to whether there is a need for a new regional headquarters.

Hon. Mr. Bennett: Is there?

Mr. Breagh: I would say no. I would sense that the accommodations for the region are not exactly first-rate. For example, social services is now located in the city of Oshawa, where most of its clientele is, and there are branch offices in the smaller communities. For that major kind of interplay with the public, I think that is well in hand.

You could make a bit of an argument, I suppose, that some of the regional staff is working in less than first-rate facilities. It was good enough for me when I was there and good enough for Alan Dewar when he was there, so I am not making a pitch that—

Hon. Mr. Bennett: The two of you have moved on to greater things.

Mr. Breagh: That is certainly questionable, at least from my point of view.

Hon. Mr. Bennett: Alan thinks he has.

Mr. Breagh: He has a bigger office than I have. He has an expense account. He travels the world for the ministry.

Mr. Fleming: But he does not have soundproof walls.

Mr. Breagh: I have soundproof walls but I am having trouble with the pigeons outside the walls.

Hon. Mr. Bennett: What do you use them for, to send messages back and forth to Oshawa?

Mr. Breagh: No, we use Chevy pickup trucks for that.

Mr. Stokes: We have to get those peregrine falcons back.

Mr. Breagh: I will bring my pigeon problem up later.

Hon. Mr. Bennett: Are you into Government Services' estimates next?

Mr. Breagh: As a matter of fact, this same incompetent minister who wants to intervene to build a Taj Mahal in Durham, cannot solve a pigeon problem outside my window, so I have less than total confidence. If he wants to ship the pigeons out there, I may reconsider my position here.

Certainly building a new regional headquarters there, as in many other regions, is a very expensive proposition and not one that one jumps into. I can see some legitimate claims that there are some problems involved in housing the staff, but then everyone has that same problem these days. I would be hard pressed to justify the construction of a new regional headquarters.

I would be interested in seeing the specifics of it and listening to the argument, but right now I am really hard pressed to ascertain that there is a need to build a brand-new regional headquarters.

Most of our municipalities have gone through renovations of their staff offices. I guess it would be not unkind to say that regional government has settled in, but is not exactly welcomed with open arms by most of the population.

In terms of what I would deem to be a normal process of some kind of cost-benefit analysis, some analysis of existing staff and what problems there might be, not very much of even that kind of work has been done. So what I would consider to be the basic groundwork for establishing a need has not yet been done.

This seems to be kind of a fantasy which has been conjured up between the regional chairman and the Minister of Government Services. I understand the penchant for cutting blue ribbons; all that stuff is very nice.

Hon. Mr. Bennett: You have the right colour.
12:10 p.m.

Mr. Breagh: It is the only kind I see these days. It is disgusting.

But I am concerned that an end run around the process is apparently under way. I would like to see just a slight halt put on that process until the region of Durham and its council makes its own decision about whether there is a need for a regional headquarters. Then, of course, I think it would be appropriate to discuss with a minister of the crown, probably more than one, the financial transactions that might stem from that.

As I said yesterday and would say again today, I would just like you to intervene in that process a little and balance it up and say, "Let us let the regional council make the initial decision on whether they will or will not proceed with the new building," and then obviously the province will be a participant, because it has some interest in the courthouse.

Hon. Mr. Bennett: As the minister, I have watched a number of municipalities and regions decide on building new facilities. I have yet to get involved in saying either yes or no. The adequacy of the present circumstances with the facilities is the determination of their council. The ultimate decision as to whether they want to build or not to build, whether they are going to rent or whether they are going to become participants with somebody else, is with that council.

Unless I am invited to have some reason to get involved, I do not intend to get involved.

Mr. Breagh: I am inviting you, and Sammy Cureatz is inviting you.

Hon. Mr. Bennett: If I took all the invitations I get from you, and they would not all be as graciously put, you would like to lead me down the garden path.

Mr. Breagh: I would never lead you down any path; rest assured.

Hon. Mr. Bennett: I am sure you would send me down there by myself.

Mr. Breagh: Over the cliff, maybe; down the garden path, never.

Hon. Mr. Bennett: That is likely what is at the end of it.

I am sure if Gary Herrema thinks I can be of some help, with some of the others, I am prepared to sit and hear what they have to say, but I do not intend to interfere. A municipality is a self-governing body.

Mr. Breagh: I am happy that you would leave the municipalities alone. What I am asking

you to do is to walk around the cabinet table tomorrow morning and have a little talk with our friend George and ask George to do the same thing.

Hon. Mr. Bennett: We will chat back and forth together. Why do you not talk to him?

Mr. Breagh: I cannot catch up to the government limo he has. He seems to be able to exceed the speed limit and I am always conscious that the Solicitor General of Ontario (Mr. G. W. Taylor) is watching me these days, so I always observe the speed limit.

I notice George has done an amazing thing though. He travels around in a government limousine for absolutely no cost. I saw that printed in the Legislature yesterday. It was amazing. I have seen his car and it is a big son of a gun. He gets a hell of a lot better mileage than my little Pontiac does. I do not know how he does it.

Hon. Mr. Bennett: He has the same mileage as both your leader and the Liberal leader get from theirs.

Mr. Breagh: It could be. I do not have those problems to worry about.

Hon. Mr. Bennett: But there is a similarity.

Mr. Breagh: If I remember correctly, I think you could take both my leader's car and the Liberal leader's car and put them inside the car of the Minister of Government Services. It is a long sucker.

Hon. Mr. Bennett: Do you know where it is made?

Mr. Breagh: I mean the driver.

Hon. Mr. Bennett: Ask me which municipality in Ontario it comes from.

Mr. Epp: Not Oshawa.

Mr. Breagh: We are pleased to supply the government of Ontario with a lot of good vehicles.

Hon. Mr. Bennett: Just by accident, it comes from Oshawa.

Mr. Breagh: From that minister's point of view, if he wanted to support his own community, he would be driving a Lada.

Hon. Mr. Bennett: What? A Lada?

Mr. Breagh: A Lada.

Hon. Mr. Bennett: Or is that a ladder?

The Acting Chairman (Mr. Havrot): Mr. Breagh, I do not think this concerns Municipal Affairs and Housing really, the automobile of the—

Mr. Breagh: The minister is trying to divert my attention.

Hon. Mr. Bennett: That only affects the municipality as much as it is made in Oshawa—

Mr. Breagh: As long as it is made in Oshawa, I do not care which minister drives it. It is okay by me.

Hon. Mr. Bennett: When that blue book comes out for minister's expenses, we will have a song and dance about that too.

The Acting Chairman: Any further discussion under vote 2505?

Mr. Breagh: What I was going to suggest, Mr. Chairman, is that we had a couple of planning matters that are held over and I would like to do a little bit more around municipal financing. If there are other members who have individual questions, I can do that then and hold the votes until tomorrow night.

The Acting Chairman: Can we pass 2505 and revert? Mr. Sweeney wanted to get on to 2504. Is that correct, Mr. Sweeney?

Mr. Sweeney: I will be here tomorrow night.

The Acting Chairman: Shall we pass vote 2505 then?

Mr. Breagh: Hold on, that is the entire municipal board.

The Acting Chairman: No, that is municipal affairs.

Mr. Epp: Just hold off the votes until tomorrow.

Mr. Breagh: Yes, let us hold off the votes until tomorrow night.

The Acting Chairman: You want to hold? All right.

Is it the wish of the committee to revert to 2504 and accommodate Mr. Sweeney?

Mr. Breagh: Anything to accommodate him.

Mr. Epp: I must say we are at least getting into the procedure of asking about expenditures prior to them all being spent. Last year it was in December, and we had, what, three quarters of it already spent, Eric?

Interjections.

Mr. Fleming: If you are referring to unconditional grants this year, they are virtually all gone.

Mr. Epp: We are already three quarters of the year into it. I have raised this before. It is not really a ministry problem, it is a problem we have in the way the whole Legislature is operated. Last year it was December when we were discussing estimates, and the fiscal year was from April 1 to March 31.

Hon. Mr. Bennett: The only fear I have for coming in here at this time of year is that when you get back here in the fall you never know whether you are still going to be occupying the same position in government as minister. You could find you get another set of estimates before the year is over.

Mr. Breagh: You are breaking my heart.

Hon. Mr. Bennett: If I happen to have the misfortune to run up against you again, this heart will really be broken.

Mr. Breagh: I know.

Mr. Epp: We have a number of very able people on our side of the House who would be more than happy to come back in the fall after a fall election.

Hon. Mr. Bennett: You call the election and we will be delighted to meet you.

Mr. Epp: Okay.

Mr. Sweeney: Minister, you are well aware of the fact that in a number of communities, particularly smaller communities that want to put up a senior citizens' apartment building, the financing is done through the Canada Mortgage and Housing Corp. in most cases.

In my riding there is a small community, New Dundee, a local township that has applied for such assistance. The difficulty is that they have been told—and I have checked this with CMHC myself—there is about a four- to five-year waiting list for these projects. Apparently it has got completely out of hand.

The board of trade in New Dundee is quite ready to go ahead. I think they want to put in a 20-unit development. It is the kind of community that people seem more and more drawn to for retirement purposes. From a rental point of view, there appears to be no doubt that it would be a successful venture.

If they have to wait four or five years and even then not know whether they are going to be on the list, the financing seems completely out of the question.

First, is your ministry aware of this kind of long waiting list for this kind of development? Second, are you preparing any alternatives for this sort of situation for our smaller communities across Ontario? I suspect there may be some bigger ones, too, that may be facing the same problem, although I have none in my own riding at present. Given the growing elderly population, it is bound to get worse instead of better.

What I am really reaching for is what kinds of plans and ideas does your ministry have on the board at present to provide alternatives for this?

Hon. Mr. Bennett: Let me go back, Mr. Sweeney. We touched on it last night for a short time.

Our real crisis is in the allocation factor that we get from the federal government. I am not here to blame them. They have reasons for trying to put their allocation as they see fit.

Three years ago we had an allocation of 2,800 units for Ontario, which is part and parcel of giving some of these to communities such as New Dundee. Last year we had 2,200, and this year we are down to 1,980. We have had a limited number of units to disperse throughout Ontario.

I would be hesitant to talk about a five-year waiting list. I just do not think that is realistic at all.

There are a couple of things I should point out first of all. I am now speaking specifically of municipal nonprofit housing, which is the allocation I deal with. When you said the board of trade in that community would be interested in advancing this project, they very well may want to look at doing it under the private nonprofit allocation.

12:20 p.m.

The allocation for the private nonprofit comes directly from CMHC through to the community, as does the co-op allocation. It does not come through this government or this ministry. The number of units Mr. LeBlanc has had under that—the private nonprofit, for example, in past years has been greater in numbers than we have been getting as a province for municipal use.

Mr. Sweeney: Excuse me, Minister, that is what the community applied for.

Hon. Mr. Bennett: Private nonprofit?

Mr. Sweeney: Yes. The board of trade.

Hon. Mr. Bennett: Then it falls beyond my parameters.

Mr. Sweeney: I fully appreciate that. I am sorry, I phrased my question that way.

Hon. Mr. Bennett: I thought there was some—

Mr. Sweeney: I was saying that was the route the community attempted to go and is continuing to attempt to go, but it has been told it is facing a four-year waiting list. I contacted Canada Mortgage and Housing Corp. myself to verify this, because I did not believe it when I heard it.

What I am coming back to you on is, if communities like this one are facing that kind of a waiting list, what other alternative is there for them, within your ministry? That was the thrust of my question.

Hon. Mr. Bennett: The thrust of your question is well put. As I said last night, currently I am in some negotiations with Ottawa. I do not know when I will have an answer, but I would hope before July 1. I say that because I expect Ottawa is going to see some ministerial changes. If that happens, obviously there will be a hiatus of a few months before people are ready to get back to making some arrangements.

Mr. LeBlanc and I are meeting, at least, our staffs are meeting and dealing with certain things that could happen more quickly than we would have anticipated a month ago. I have no simple solution. The advantage of the program the community is applying for is that it gets interest write-down money to a factor of two per cent, from a market position to two per cent, which is a very substantial contribution.

Mr. Sweeney: It is, except that it cannot get it. That is the problem.

Hon. Mr. Bennett: That is right, because of the limited funding there, the limited funding of the feds, the limited number of allocations. I should not say funding, because it is all done on numbers of units rather than on dollars.

I might say, in some defence of what we tried to do this year in Ontario, when I made the original allocation of 1,400 units, Toronto came out and said, "Why would you give it to a bunch of small communities around the province?" Virtually, it was saying: "Why would you give them something in Pumpernickel Corners? We are much more important."

If you look at what we did this year, we tried to zero in on communities where they were building 32 units or 28 units, because the impact of one building going in there is substantial, both for people who want to pay moderate rent and for those who need rent geared to income. I thought it was the direction they were moving in.

I guess Mr. LeBlanc did not quite zero in on the small communities because of the pressures exerted upon him by the major metropolitan areas. You know, he had to do something.

As I said last night, you are always in this catch-22 situation. If you go to small communities you are criticized; if you go to big communities you are criticized. I thought this year we had hit somewhat of a better balance in our allocation.

I can only say that maybe in the next period, if we are successful in some of the negotiations we have now proceeding with CMHC, we might be able to respond. I just have to wait and see what we can come up with. We are not unmindful of it, I can tell you.

Mr. Sweeney: You are aware that that very attractive, private route simply does not provide much of an alternative today, because there is such a long waiting list, and that something else has to go in its place.

That was my only question.

The Acting Chairman: Thank you, Mr. Sweeney.

Mr. Epp, do you have anything under vote 2504?

Mr. Epp: No.

The Acting Chairman: Shall vote 2504 carry?

Mr. Sweeney: No, excuse me, Mr. O'Neil was here before, and I told him we were not doing it until tomorrow night. I am sorry.

Mr. Epp: Why do we not just see the clock as 12:30; we will finish vote 2504, go to vote 2502, and finish up with vote 2505 when we meet tomorrow night.

The committee adjourned at 12:24 p.m.

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From the Ministry of Municipal Affairs and Housing:

Fleming, E. M., Assistant Deputy Minister, Municipal Affairs
Marlatt, J. M. J., Senior Policy Adviser, Grants Policy, Municipal Finance Branch
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No. R-19

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of Municipal Affairs and Housing

Fourth Session, 32nd Parliament
Thursday, June 21, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC



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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Thursday, June 21, 1984

The committee met at 8:05 p.m. in room 151.

ESTIMATES, MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING (concluded)

On vote 2502, community planning program:

Mr. Chairman: My apologies, committee members, for being slightly tardy.

Mr. McClellan: Before you start, can I ask if the minister has been able to obtain the information I requested about the Ontario rental construction loan program? I knew you would have it.

Mr. Chairman: It is in the green folder. What is wrong with all the blue folders?

Hon. Mr. Bennett: I was trying to be nonpartisan.

Mr. Chairman: On vote 2502 then, Mr. Epp.

Mr. Epp: I know the vote has been taken on this, Mr. Chairman, but I want to raise a concern with the minister about the administrative costs. I have given a copy of some of this information to the minister. He will notice that for 1983-84 the preliminary actuals are \$9,663,000, rounded out, and for 1984-85 they have gone to \$9,777,000.

That is a slight increase. Yet when we look at the amount of money that has gone into the community renewal program, we find for 1983-84 there is \$17,798,000 and for 1984-85 there is \$16,403,000.

In comparing the administrative costs of 1983-84 with 1984-85, we find there is an increase in administrative costs, yet the amount of money that has gone out for various programs, such as urban renewal, neighbourhood improvement, etc., has actually gone down. I would have thought that, if you are not working as hard at putting out money for various programs, you could have easily cut down on some of the administrative costs.

It reminds me of the military. When it had to cut back somewhere, the first place it would cut back was on the number of bullets supplied to the troops, then it would cut back on the troops and then it would cut back on the generals and majors and so forth. I am wondering whether you are using the same philosophy here. When you cut back, you cut back on the amount of money you

give to various programs, but you do not cut back on the administrative costs proportionately.

It is the same thing if we go to item 5 of that program. I think you have a copy of that too. For 1983-84 you have \$2,549,000, as far as it concerns the preliminary actuals, and for 1984-85 the estimate is \$2,325,000.

You might come back and tell me those are estimates and not actual. If that is the case, your estimate with respect to the administrative cost could also be substantially higher than you have estimated. I am wondering what your response is to that.

Hon. Mr. Bennett: Mr. Chairman, I think I mentioned the other night that some of the programs we are into in community services, community renewal, home renewal and so on are in themselves, in the allocation of funding, now pretty well depleted, and to make sure the programs are carried out to the end under the conditions we set will take some management skills.

In other words, as I indicated the other night, the Ontario home renewal program is one in which there are still administrative requirements; there is no new money going out, but it still takes some management from the ministry to make sure that what money they do have out there, which is about \$26 million that was circulated some time ago, is used in accordance with the terms of reference that were put down at the time the original plans were put in place.

In the case of the neighbourhood improvement program and so on, some of those programs under the old federal-provincial agreement are now running their course, but there is no new money going into them. We are, under the Ontario neighbourhood improvement program, putting some moneys up, and that requires new administration.

Mr. Epp: Twice as much as last year, the amount of money in that—

Hon. Mr. Bennett: At one time we had only a 25 per cent interest; it was 50 per cent federal, 25 per cent provincial and 25 per cent municipal. When the federal government dropped its position and got out of the program altogether, we then made it an Ontario neighbourhood program, which is 50 per cent provincial and 50 per cent for

the municipality that wished to participate. In that case we do have some funding, obviously.

For some of the programs that are no longer in place, the fact is that for a period of time we still have the responsibility of making sure they are brought to a conclusion under the terms that were originally agreed to.

Mr. Epp: It does seem strange to me that those costs would continue to escalate.

Hon. Mr. Bennett: The costs of administration? We have the same problem that every other employer has. There is an annual increment, improvements in pension plans and improvements in health care plans, which the members of the provincial House get in the same way as other civil servants do. Some of those costs are just going to go through.

Milt wants to mention one other thing.

Mr. Farrow: One area that has a fairly large increase is plans administration, about \$100,000.

Mr. Epp: Under which item is that?

Mr. Farrow: Item 2, from \$4.4 million to \$4.5 million. It is on the first page. I think it is the same first page that—

Mr. Epp: Yes, I see it.

Mr. Farrow: That is the only increase of any substantial amount in that area, and that is because we had to put in a new program, the parkway belt five-year review. We have some additional funds to carry out that review.

Hon. Mr. Bennett: Which the legislation demands.

Mr. Farrow: The legislation said we must do the five-year review of the parkway belt. It was an increase in that area that is really, if you look through it, the only significant increase in the numbers.

Mr. Epp: That is \$500,000 or \$350,000.

Mr. Farrow: No, it is more than that. It is up from \$4.4 million to \$4.5 million, so it is \$100,000 from the actuals to the 1985 estimates.

Mr. Epp: I just wanted to draw that to your attention, because it seems to me these various programs are worth while, but if, to meet the administrative costs in order to keep them going, you have to cut back on the programs, eventually you will still have your administration but no money will be going in here.

Mr. Farrow: No; it is a new program that does not involve money; it just involves carrying out this review. It is going to be done within a year. It has to be done. We had no choice; it was

legislated in the five-year period and it has to be carried out.

The Vice-Chairman: Is that all the discussion on vote 2502?

Mr. Epp: Yes.

The Vice-Chairman: We did approve it here two meetings ago, so we may now proceed to vote 2504.

On vote 2504, community housing program:

Mr. O'Neil: Mr. Chairman, I suppose the first thing I would like to raise—and I know it has been raised before, and we have raised it in the House—is the news releases the ministry puts out concerning grants that are made in each of the ridings. I take as an example, although they are coming out all the time, this particular one in which the ministry announced a grant going into Hastings-Peterborough.

As a neighbouring riding we were pleased to see that, but it seems whenever you put out notices of grants of amounts of money going to ridings held by Conservative members, you always allow the member in those ridings to make the announcements. However, if any money is going to a riding held by a Liberal or a New Democrat, you always put it out under your own name. You do not allow the opposition members the same courtesy you allow government members. I wonder if you might comment on that.

Hon. Mr. Bennett: Mr. O'Neil, my comment is the same as the one I gave you in the Legislature.

Mr. O'Neil: Perhaps you could tell me again.

Hon. Mr. Bennett: I said to you clearly that I find I so seldom have people in opposition who really agree with some of the government's policies and programs that, when I am putting money into a riding, since they do not agree with my programs and the general philosophical position of the government, I see no reason why I should say to them, "Here, make the release for me."

It is like offering favours to some people. If they turn it down, you are in an embarrassing position. I take the attitude that I know my members are going to support the program. Obviously, they had to support it to get it to a position where it is in place legislatively, and also in regard to budget requirements and so on. I do not always see that being the case when I am competing with opposition.

Mr. O'Neil: Well, that—

Hon. Mr. Bennett: Just hold on. The minister has the right to make that determination and I have made it.

Mr. O'Neil: I realize that you have made it, which is a very political—

Mr. Sweeney: Comes the revolution.

Hon. Mr. Bennett: I come from Ottawa and I guess I had a lot of good Liberal teachers there.

Mr. Breaugh: You learn a lot from them.

Hon. Mr. Bennett: You tell that to Mr. O'Neil.

Mr. O'Neil: There you go again, slighting the feds.

Hon. Mr. Bennett: I was not slighting the feds. I just said they were great teachers.

Mr. O'Neil: Because the feds do it does not necessarily mean you have to do it. What you are actually saying is—

Hon. Mr. Bennett: I thought it was well done, and sometimes I will acknowledge their precision and expertise.

Mr. O'Neil: You are saying that if any riding is held by someone who is not a member of the governing party, you do not want to recognize the member for that riding at all, and that you feel every riding in Ontario should be Conservative like an almost-dictatorship. That is the way you would run things if you had more of a majority.

Hon. Mr. Bennett: No, we believe there has to be an opposition. We are not so naive. We believe in the democratic process.

Mr. Sweeney: It is called dictatorial democracy.

Interjection: A benevolent one.

Interjections.

Mr. O'Neil: We like to let the people of Ontario know just how you feel about these items.

Hon. Mr. Bennett: I have not been able to hide it.

Mr. O'Neil: I know you have not.

Hon. Mr. Bennett: You have made it very obvious for me to answer in a positive way.

Mr. O'Neil: We like to let the people know you are blaming the feds all the time for patronage. We also like the people in Ontario to know that you, for one, are a very political minister and you feel that, unless a riding is held by a Conservative—you feel you should own every riding in the province. You do not really respect the voters in the other ridings.

Hon. Mr. Bennett: Yes, I do, or I would not make the announcement positively on behalf of those communities. As a minister, I take the right, as the person who is held responsible—

Mr. O'Neil: You are telling us that you do not respect the voters.

Hon. Mr. Bennett: Just to interrupt for a moment, I do respect them. If I did not respect them you would see no allocation made to ridings that were not controlled provincially by the party in government, as we have seen it done in some provinces; but not in Ontario, thank goodness.

Interjections.

Interjection: Tory Alberta?

Hon. Mr. Bennett: It would be difficult in Alberta. There would only be about three ridings you would not have to recognize, and some of them are in the middle of a city so it would be pretty difficult to exclude them.

The fact remains that I have allocated funding to ridings held by non-Conservative members, and I have taken the opportunity of making the announcements in those communities as the minister who is held accountable to the Legislature, to the Treasurer (Mr. Grossman) and to the cabinet.

Mr. O'Neil: We just like to have that on record.

Hon. Mr. Bennett: It is on record. It has been on record for a long time, so tonight should be no shock to you. If it is, I will get you a glass of water.

Mr. O'Neil: We like to get to know—it's that fish; you might choke on it eventually.

Hon. Mr. Bennett: No, it is good Ontario pickerel, the best.

Mr. O'Neil: We like to get that on the record, and I am very pleased to have it on the record that that is the way you feel towards any opposition member in this province.

Hon. Mr. Bennett: I do not feel there is anything wrong in being an opposition member. I take the opportunity to make the announcement myself in opposition ridings. I am very up and with you about it. I find there are programs on which you do not agree with the government, so why should I suggest to Hugh O'Neil, John Sweeney or Mike Breaugh that what goes into their ridings—

Interjection.

Hon. Mr. Bennett: Mr. O'Neil, you usually announce it as the government. "Hugh O'Neil announces on behalf of the government." I did not know you were a member of the government party. You might like to be, and we would entertain it.

Mr. O'Neil: I am part of the government of Ontario.

Hon. Mr. Bennett: You are part of the Legislative Assembly of Ontario, but the government party—

8:20 p.m.

Mr. Breaugh: You and J. Earl.

Mr. O'Neil: What always sort of bothers me is that you do not—

Hon. Mr. Bennett: What is that, Mike?

Mr. Breaugh: The member and J. Earl McEwen may be partners in crime, but they are not members of the government.

Mr. O'Neil: Let us go on to another matter. I would just like to have it on record.

Hon. Mr. Bennett: We have it on record. I have said it here. I have said it in the Legislature.

Mr. Epp: I must tell you, Minister, that you are not being completely correct. We have approved a number of the votes in the estimates right here. If we always opposed everything, then we would not have to approve them.

I must tell you that one day your staff slipped up. I guess they thought Waterloo North was a Tory riding. They called my office, and said: "A cheque is going to be coming in the next day or two. We will be giving you a call. You can pick it up and you can then deliver it to the mayor of Waterloo."

I waited and waited, and about a week later we called them and said, "Where is this cheque we were supposed to deliver?" They said, "Oh, it inadvertently went into the mail." Inadvertently. I imagine the minister went over there himself, picked it up and took it down.

Hon. Mr. Bennett: I would suggest about my staff that they certainly picked up their shoes in a hell of a hurry.

Mr. Epp: I do not know whether that person is now in Siberia or not.

Hon. Mr. Bennett: No, no. We are very forgiving, but they know how to correct their own mistakes.

Mr. O'Neil: Anyway, it is very nice to know how you feel about things like that, and how you refer to opposition members.

Hon. Mr. Bennett: I refer to them in a positive way.

Mr. O'Neil: Your turn will come, and I hope you are here when it happens.

Hon. Mr. Bennett: Mr. O'Neil, do not put a threat in it.

Mr. O'Neil: It is just that some day your turn will come, whether it is your being in opposition

or having some other problem, and sometimes maybe you should respect other people.

Hon. Mr. Bennett: We respect the taxpayers of Ontario, which is the principal reason we are the government.

Mr. O'Neil: That is disputable, too.

Let me go on to another thing. Last fall I raised the question about the Sunrise Apartments development in the city of Trenton.

Hon. Mr. Bennett: Is this the Canada rental supply program?

Mr. O'Neil: The CRSP program, yes.

I know we had quite a discussion on it at that time, and we have had a bit of correspondence back and forth. Some of your letters are—

Mr. McClellan: Is this a federal program?

Hon. Mr. Bennett: Yes.

Mr. O'Neil: It is federal with provincial participation.

Hon. Mr. Bennett: No.

Mr. O'Neil: Is there no provincial participation at all?

Hon. Mr. Bennett: Only in the fact that the federal government says in its program that a third of the units are to be made available to a province, through its housing authority, for rent-geared-to-income housing. None of the capital, none of the organizing of the program, none of the criteria, none of the specifications, none of the financing, and indeed nothing to do with the application comes to the ministry in a province, whether it be myself or any of the others.

Mr. O'Neil: I will say I was not fully versed on the fact the province had so little to do with it. On the other hand, Minister—

Hon. Mr. Bennett: You are not alone. That was also true of the industry.

Mr. O'Neil: Did you not tell us that your participation does come in, in that if the housing authority takes up some of those units, you do subsidize some of the rents?

Hon. Mr. Bennett: That is what I said. That is the only portion which is made available to us on a rent-geared-to-income basis. It is the same as if we had a unit in the Ontario Housing Corp. and is 50-50, federal-provincial.

Mr. O'Neil: We have had some mail go back and forth, and I asked you if your staff would do an investigation into it. You wrote back to me saying that because you really had nothing to do with it I should go after the federal people.

I would like to tell you that at the same time I wrote to you with the information I supplied to you, I did write to the federal housing minister and asked for the same thing. You may think I am trying to put you on the spot, but I felt certain things should have been looked into, and I told the federal minister and the Canada Mortgage and Housing Corp. the very same.

My question to you would be: you do have participation to the point of subsidizing the units your housing authorities take over, yet are you telling me that as for the arrangements and any plans, rules, or regulations that go into it you have nothing to do with them at all?

Hon. Mr. Bennett: Correct.

Mr. O'Neil: I would ask you—and I am not trying to be partisan at all—why is it, when you are required to take up and pay some of the subsidy on rents, you do not push the federal people a little harder, giving more input from your ministry as to some of the things you would like to see in these plans or programs, so we do not get into the same problems we did in this one Trenton example?

Hon. Mr. Bennett: The first point is we are not required to take them up. What is required is for the developer or the owner who gets the financial arrangement with the CMHC under the CRSP program to offer us a third of the units. That is the requirement. We take them up and, as I have said to you in letters and to others when I was speaking to them, we have not taken some of the CRSP units because when we have to start subsidizing them at \$500 or more a month, it becomes somewhat ridiculous.

We said to the federal government, to CMHC and to Mr. LeBlanc back at the time CRSP was coming on stream, that what they should be doing is following to some degree the same terms of reference we had for the Ontario rental construction loan program. We get into the size of the unit and into a maximum unit price. The feds came along with the program—I am not criticizing so much the overall program and what it is trying to do, but in our opinion the right guidelines were not put in place.

Under the CRSP program people were allowed to develop units far above what you would use for rent geared to income. They were getting into construction, square footage and so on that really had the capability—and mark my words, it will happen—to be converted into condominiums down the road in four or five years. If they had taken our advice, CRSP would have been a much more effective program in satisfying the middle-income and the rent-geared-to-income

housing needs. We offered the advice and they did not take it.

Mr. O'Neil: In the fall you mentioned there were some units you were subsidizing by about \$800 a month. My question again to you would be: why would you let yourself get into such a situation where you have to subsidize some of these apartments, even the one in Trenton where the rents are going to be \$600, \$700 and even higher than that?

Hon. Mr. Bennett: That is right.

Mr. O'Neil: You say you do not have to take the units, yet if the housing authority says it requires them, you do take them. Is that not right?

Hon. Mr. Bennett: If they are needed and they fit.

Mr. O'Neil: Is there no way you could say to the federal people, "We do not want to participate in this program if you are going to build expensive units or require us to subsidize rents in the \$800 range"? Can you not put your foot down with the feds and say, "Let us hold it here"?

Hon. Mr. Bennett: Since it is a unilateral program and we are never asked for any advice and the federal government has never taken any suggestions from us in the past—even when we tried to get involved in the original instance, it did not heed our advice. We tried to show exactly how the program worked for us.

We went back to the feds to try to make use of the number of units that could be put into rent geared to income. We went back and said: "Okay, we have some offers from those individuals who are building apartments under the CRSP program. Let us take a building of 100 units where we get 33 of them." What the individuals were prepared to say, not only in your community but in several communities in Ontario, was, "We will give you 33 units in some of the other buildings we own in the same community."

Mr. O'Neil: Lower-priced units.

Hon. Mr. Bennett: Much lower-priced units, and units that rent for considerably less. They said: "We will trade those off and give you the same number of years of leasing arrangement as you could have had under the CRSP. That will reduce the cost to government both federally and provincially." It does not reduce the special grant that has been given to the CRSP program, but it still extracts from the developer an equal number of units somewhere else, yet the federal government refused.

It is really pushing us into a very expensive rent-geared-to-income program. We could have

had units in Ottawa, for example. Minto Construction offered us a substantial number of units in its older buildings, well-maintained buildings because Minto is a good landlord. These units were offered because Minto knew they would be at a lower rent to us as governments and because the new buildings would have a greater appeal for people who are paying full rents. The rent factor it was getting there was considerably higher.

I thought it was a reasonable offer. For reasons I cannot explain, the federal government refused it virtually out of hand.

Mr. O'Neil: Why would you enter into the program at all?

Hon. Mr. Bennett: I do not have to. I do not have to enter into anything.

Mr. O'Neil: But if your housing authority says it needs the units, then you do have to enter into the arrangement.

Hon. Mr. Bennett: I have some housing authorities that needed the units, but when they started looking at the costs they were going to be—

Mr. O'Neil: They just turned them down.

Hon. Mr. Bennett: They decided they had better turn them down. When you have to start subsidizing at \$500 and more per month, you really have to ask yourself whether this is a wise decision to be making on a long-term basis. It was not a matter of being in this year and out next year.

8:30 p.m.

Mr. O'Neil: I suppose the whole problem in my riding and in the centres of Trenton and Belleville is that the need for subsidized housing is so great that the housing authorities, to be fair to them, feel because of the demand they have for family and single units and for units for older people, they have to ask for those units because there is nowhere they can house these people.

They are forced to do this, and it may have been so in this particular case. The people in the Trenton housing authority may have felt: "Those units are too expensive. On the other hand, we do need them. We have over 100 people looking for units, so we are going to request them to go through the housing authority." That would mean you would be required to.

Could you turn down what the housing authority wants or override it?

Hon. Mr. Bennett: I could, but it is not likely I would.

Mr. O'Neil: No. The crux of the thing comes down to what we are going to do in communities

such as this across the province. What do you see you can do in the future, as Housing minister for the province, to provide units in places such as this without getting into plans where you are subsidizing luxury apartments or high-rental apartments? Do you see any solution?

Hon. Mr. Bennett: First, you must remember that under the Canada rental supply program a third of the units, whatever that amounts to, were what you could call "freebies," because they did not impact on your allocation from the Canada Mortgage and Housing Corp., on the number of units allocated to the province on an annual basis. Everything in CRSP was over and above what you got. That was to make the federal program fly and to give it some credit in that some of the units were going into the rent-geared-to-income program.

If we go out and start to build units, then they have to take whatever we have in the rent-geared-to-income units and they have to take them in whatever allocation. You know the problems we have had with allocation. There is not enough to go around the province to satisfy even the urgent demand. That is why CRSP appealed to us; that is why at times we were forced to go with CRSP regardless of the price, because they were allocations that were not put against our global position.

Mr. O'Neil: How many units do you have in that CRSP program approximately?

Hon. Mr. Bennett: We show here at the moment 483 in the CRSP program.

Mr. O'Neil: Across the province over how many years?

Hon. Mr. Bennett: It has only been one year. It is in its second year, but it has been a loose second year.

Mr. McClellan: Do you have the average subsidy costs?

Hon. Mr. Bennett: I have them here. Some of these are not on stream yet. We have not got into renting them. They are allocated to us and we have accepted them. Eventually we will have to look at the rent.

Mr. McClellan: I wonder when that will be available?

Hon. Mr. Bennett: It will be at least a year. A lot of the CRSP programs are barely under way. Put a note down for next June.

Mr. O'Neil: Is there any solution to the problem of housing people in areas such as ours?

Hon. Mr. Bennett: As I said the other night, and I will repeat tonight, we are in the process

right now of some interesting discussions with CMHC, which I do not want to go into until they are more complete. They might very well work out to be extremely beneficial.

What it will really come down to is what we initially discussed in the last week or 10 days. If they are really serious in moving, then we can very well become the other half of the team. That is up to my senior people who will be with CMHC again tomorrow. I hope before the end of the month—again, it all depends on what happens in Ottawa.

Mr. McClellan: Before the end of June?

Hon. Mr. Bennett: I said the end of the month. Is this June?

Interjection: It was this morning. Is it still June?

Mr. O'Neil: I know the minister suggested in the fall that some of the solutions to these problems might be in the private nonprofit, municipal nonprofit and co-op programs.

Hon. Mr. Bennett: You must remember the other area we have asked the federal government to take some concern about, and to appreciate the problems that not only this province but other provinces have in trying to find rent-geared-to-income units. This has been along the lines that if we can go to a third or 35 per cent of the units in municipal nonprofit or CRSP or rent geared to income, since the private nonprofits and co-ops are basically financed on the same basis, why can we not get a greater percentage of the units for rent geared to income in those? In the past the federal government has been reluctant to do that.

I have to suggest it seems rather strange that we can put your tax dollars and my tax dollars into those programs and not get the same impact in the areas of need that we are getting from the municipal nonprofits.

The other argument I made is that if you really believe that under the Canada rental supply program a third of the units should be made available to us, that is to the housing authorities in the various areas, then why would not the same rules apply whether it be private nonprofits or co-ops if you are doing the same type of financing?

I understand that is a delicate question at the moment. I think Mr. LeBlanc was trying to persuade them, maybe rightly so, to come to the table and ask him to do it.

Under the Ontario community housing assistance program we get into participating with co-ops and private nonprofits to get more rent-geared-to-income units, but it was not on a

global basis, it was site specific. They came in and said, "We can use more rent geared to income" and so OCHAP came into being. It is very expensive, because 100 per cent of the financing on the rent geared to income under OCHAP is by the province. It is very expensive, but it did secure it.

Mr. O'Neil: So in other words you see that in the future there is no way you can go on your own—in other words go into some of these programs. You are always going to have to depend on the federal government for part of the financing.

Hon. Mr. Bennett: I think I have to suggest this. I say this with due respect to my colleagues in the other nine provinces and two territories. I do not care who forms the federal government, the moment you give the impression to the federal government that you can now go it alone—

Mr. O'Neil: Then they leave you to it.

Hon. Mr. Bennett: —the next thing you know they have no program the following year, so you go it alone in everything.

I am not so sure that you want me to come back in here next year and say that all of a sudden we are now paying 100 per cent subsidy on some of these units and the cost is going to be millions and millions.

The program at one time was shared three ways, if you recall. We had the provincial government as the managing agent; we had the federal level as the participating agent in financing; and we had the municipality as the participating agent in financing. Today we just have the federal-provincial basis. I have to think that those are the two bodies that have accepted the responsibility for housing.

Indeed, if you go back far enough with the establishment of CMHC right after the war, the federal government at that time indicated it had a very clear responsibility for the provision of housing in this country. I do not think that has ever changed over that long period of years, save and except back about 1964 there were indications by the federal government that they would like to have been able to clear out of the field altogether. They tried to get the provinces to take over more and more. The provinces at that time resisted it, I believe with a great deal of intelligence, and kept CMHC as a partner.

Mr. O'Neil: So you say your department people are having discussions with CMHC about some new plans or new ideas that you would like to bring in to provide some of this needed

housing. Where down the road do you see there might be an answer?

In other words, do you have financing this year so you could go in with the feds on something like this, or are you talking that something like this would not possibly be set up until next year or the year after? Can you give us some time frame?

Hon. Mr. Bennett: Without getting into the whole issue, over the last two or three years—going back even to Mr. Cosgrove's time—we were making suggestions as to certain programs that could take place, as between a provincial and federal government, in trying to meet some of the housing requirements. Over that period of time, for reasons best known to CMHC and the federal government, they were virtually rejected without a great deal of thought.

In 24 months they had come all the way around to virtually saying to us that some of the ideas that had been proposed before might have some practical applications in today's economy and with the needs of the market, and so we are optimistic that the programs can come into place sooner, rather than later.

8:40 p.m.

Indeed, I keep reminding my federal friends that in this country we do have winter and that if they are going to do something they had better make up their minds by June or July to give the construction industry time to get the plans approved, to get into the ground, and get the buildings up to ground level at least, so we might get them to do some construction without adding an enormous extra cost because of winter conditions.

I am optimistic that if we are going to be successful we should be successful by the middle of July. If we are not, I guess the discussions will be all for naught.

When it comes to funding, obviously we will have to go back to the Treasurer for some special funding; whether it comes through the Ontario Mortgage Corp. or how it will be handled I am not sure at this point, because I am not sure of what we are talking about in actual dollars, or, more important, how much of it would have to be cash flowed this year, which is the real crisis.

If we can make the program and not cash flow it until the next budget year, obviously we would be in a much better position with the Treasurer and the Chairman of Management Board (Mr. McCague).

Mr. O'Neil: That is very interesting and I am pleased to hear there are some things that are being discussed. Do you see any other programs

you may be coming out with, besides what you are talking about here, that would alleviate the problem at all at this time?

Hon. Mr. Bennett: All those programs we have announced are now working fairly effectively—we are having some take-up on them—that is, convert to rent, add a unit, conserve a unit and so on. We are starting to find a greater flow of applications which we hope will produce accommodation. Particularly, in the downtown area of certain communities, there are the second floors of commercial establishments that have been left vacant for many years; there is a start both to put those units back into a livable condition and, second, to provide a better tax-paying position for the municipality.

The add-a-unit program is slower. I told you at the time I announced it it was going to be a slow program, because it is a real educational experience. It is a matter of being able to convince communities, particular districts and communities, that adding a unit is not going to mean the destruction of the whole residential characteristic of that area.

But that is a slow one, and it is slow for two reasons: because of the complications; and because the numbers you get are one at a time, two at a time. It is not like a 100-unit apartment building going up, which bolsters your record and makes it climb fairly substantially in a short period. We are still pushing that one, hoping that it will come about.

I would say again, the convert to rent program has been very good. As Mr. Pitura was saying, of course, we made that move while we said to the municipal nonprofit housing corporations that on all of the units they have now, we will go up from 25 to 35 per cent on the rent-geared-to-income aspect, plus an additional five per cent over and above that for the handicapped and the mentally retarded.

That is added, but I have to be very cautious that people sit down and say, "Well, that is an extra 15 per cent; that will be XYZ units;" it is XYZ units over a period of time because, as they become vacant, they can get into the rent geared to income. Obviously, they are not going to throw a tenant out to put another tenant in. For those units that are just coming on stream, of course, we can get the 35 plus five immediately; the others will take a little while. That will add to the stock available for people on rent geared to income.

If we can get the allocation from the federal government we would still be interested in looking at the rent supplements in the private

sector. In the advertising program we ask if anybody in the community would like to put some units into rent geared to income with Ontario Housing Corp. or, if they have one, the local housing authority. But at the moment, until we get some extra allocation, we are stymied there as well—unless the province wants to go to 100 per cent of the cost.

I just have to suggest to you, as a provincial taxpayer, I think it becomes far too great a financial responsibility.

Mr. O'Neil: As I say, I know you are very partisan and you may have thought that was how I approached this particular matter—we have very strong feelings, because this particular development in the city of Trenton started off, first of all, with a permit for 52 units. After it was up, the building inspector discovered that there were 57 units.

Of course, there was no real notification given to the housing authority that the units were there. They found out later. A whole lot of things went on.

As I say, I not only asked you people for an investigation; the same day I wrote to you, I wrote to the federal people asking for the same thing.

Hon. Mr. Bennett: As you may know, the Canada Mortgage and Housing Corp. is now, to my understanding as of the last day or two, doing some type of an investigation.

Mr. O'Neil: Yes, they are.

Hon. Mr. Bennett: I am not sure how in-depth it is, but they are doing an investigation.

Mr. O'Neil: I think, too, because of this development there have been a lot of changes made over the last six to nine months in the rules and regulations concerning some of these Canada rental supply program announcements and notifications and things like that. I do not think raising the matter has really done any harm either, because I think it has tightened up this program as far as the federal government is concerned, and even yourselves, in dealing with it.

Of course, what has happened in this case is that where these developers received more than \$200,000 of the \$400,000-plus total, they have now had to turn that back in. They chose to turn it back in rather than giving the units to the Trenton housing authority.

A few of us are quite upset that we lost the units because they are very badly needed, but I think both yourself and the housing authority took a strong stand and I have to respect that

stand. I think they were trying to get the money without actually giving the units and they were told by CMHC to either give up the units, the eight units that are most needed, or give the money back. I understand they have given the money back.

A stand was taken there and it was brought to light by the newspapers and the radio in the area and by myself and the housing authority, which took a stand. Although we lost the units and we are very sorry to see that, we are hoping that through some future plan we will be able to put additional units into the city of Trenton and into Belleville which will enable us to house some of these people.

Hon. Mr. Bennett: It was an interesting one. Just so that the other members have some appreciation of it, here we had a building which had 50 two-bedroom units, one bachelor unit and three three-bedroom units for a total of 54 units. There were actually 57 units. After the whole thing was uncovered, they found three units somewhere else. I am not quite sure what was going on.

Mr. Breaugh: Can anyone explain to me how a building inspector misses three units? That has to be a little tricky. They are hard to hide.

Hon. Mr. Bennett: Anyway, the problem we had in this case is that the owners did not want to rent to us. They knew the conditions, but they did not want to rent to us. They made an offer to us of one-bedroom units, of which there were none in the building.

Mr. O'Neil: To be fair to them, they were ready to alter some of the units.

Hon. Mr. Bennett: No, what they were ready to do was to board up one bedroom, isolate one bedroom.

Mr. O'Neil: Very true, yes.

Hon. Mr. Bennett: My name is Tucker and it is not spelled with an S. We made it very clear we were not going for that kind of damned nonsense. The owners, as you know, are like a legal firm with two partners. They had friends on one political side and friends on the other political side. To the best of my knowledge, they were trying to use both of them for the maximum—

Mr. Breaugh: Let me clear the record here. There were no New Democrats involved in this, were there?

Hon. Mr. Bennett: I do not know. There might have been a third, for all I know. Perhaps that is where the other three units came from.

Mr. O'Neil: As I say, there has been quite a controversy over it but I think things have been straightened out in the end.

Our one desire is to see if we can pick up some additional units in the area. It will be quite interesting to keep an eye on what is going on and await the results of your discussion with the federal people to see if we do get some construction started.

The plan was really to create jobs for students and to get accommodation for some of the needy.

Hon. Mr. Bennett: Except it missed the most important factor. The most important one, I suppose you would say, is employment; but the next one was to create moderate-rental accommodation.

Mr. O'Neil: Agreed. A lot of the units that have been built across the province were not moderate-rent units.

Hon. Mr. Bennett: Unless you call \$800 or \$850 a moderate rent, and I have trouble believing that it is.

Mr. O'Neil: Since we are going into summer recess, I would very much appreciate being kept advised by your officials. I know you do not want me to announce it, I understand that. You will announce it, but let us know after you have initially announced it so we can—

Hon. Mr. Bennett: It always gets to you very quickly.

Mr. O'Neil: A couple of days later.

Hon. Mr. Bennett: I cannot help the mail system.

Mr. O'Neil: Your turn may come and you may have to be a little humble. Anyway, I thank you.

Hon. Mr. Bennett: I thought I was that already.

Mr. O'Neil: Not quite. You have a little way to go yet.

Hon. Mr. Bennett: I was trying to catch up to you.

Mr. Chairman: Let us not hand out too many plaudits here.
Thank you, Mr. O'Neil.

Mr. O'Neil: I thank the minister and, as I say, I would appreciate it if his officials would keep me advised.

Hon. Mr. Bennett: Are we now invited to your picnic?

Mr. O'Neil: I would love to have you. Would I ever look after you—I would, too.

8:50 p.m.

Hon. Mr. Bennett: Everybody who is looking for allocation under the nonprofit area gives me that same impression. I am never sure whether they mean it in a friendly way or otherwise.

Mr. McClellan: Mr. Chairman, I have a few things I want to raise with the minister. Basically, we have just one theme for these estimates and that is the need for new housing supply programs. I was in Sudbury yesterday and had the opportunity to talk to a number of people about the housing crisis in Sudbury and I wanted to raise a couple of concerns resulting from that trip.

The minister is aware of the problems in Sudbury—

Hon. Mr. Bennett: Yes.

Mr. McClellan: —the housing crisis compounded by the economic crisis. There are still many thousands of people unemployed and many hundreds of people whose unemployment insurance benefits are expiring. Many people are having to give up their homes because they cannot pay rent and nobody is building any housing. Nobody is building any housing in Sudbury except for the two nonprofit co-operatives that are currently under way.

Hon. Mr. Bennett: Can I interrupt you just for a minute?

Mr. McClellan: Yes, sure.

Hon. Mr. Bennett: I want to introduce to you a gentleman and his wife who are with us this evening, Mr. and Mrs. Braithwaite. Mr. Braithwaite is a member of the Australian Parliament, a member of the National Party, which is the opposition party, from Queensland, Australia.

Mr. and Mrs. Braithwaite, we are delighted.

Mr. O'Neil: Maybe we should see how the opposition is treated there.

Hon. Mr. Bennett: He would likely tell you, "Like a kangaroo."

Mr. Chairman: Welcome to our committee, Mr. and Mrs. Braithwaite.

Hon. Mr. Bennett: We are delighted you are here. I am not sure if the system functions in Ontario in the same way it does in Australia; it is very doubtful that it does. We have our own breed of—brand of—

Mr. O'Neil: Rather breed than brand.

Hon. Mr. Bennett: I will not touch that one, I can assure you.

We are delighted you are with us this evening. I hope it will be an experience—educational, of course. Thank you for joining us.

Mr. Chairman: Not soon to be forgotten.

Mr. Epp: I wonder if they have limousines down there for all the ministers and the parliamentary assistants—

Hon. Mr. Bennett: And the leaders of the opposition parties.

Mr. Epp: —and jets.

Hon. Mr. Bennett: Tell me, where is the jet? I am still looking. Your friends in Ottawa use them often enough, let me tell you.

Mr. McClellan: Getting back to the housing crisis in Sudbury: in October, after a number of attempts to dramatize the plight of basically homeless people in Sudbury, the minister announced he was going to allocate 10 units—10 units—to the Sudbury area.

First, I wanted to see if I understand correctly, that these were rent-geared-to-income subsidy allocations that were made available to the Sudbury District Housing Authority, because Sudbury does not have a municipal nonprofit housing corporation.

Hon. Mr. Bennett: That is correct, they do not, but it was indirect, you will recall, because the commissioner of welfare for the municipality, and I forget the other gentleman's name, kept telling me there would be no problem.

I said to them: "Fine. Here is an allocation of 10 units; you go and find them, because we cannot." Our people have been out and looked for them but could not secure them. They told me there would be no problem to get them, that that was an easy challenge. I have never heard back.

Mr. McClellan: Let me tell you something, they did not find them. By the end of—

Hon. Mr. Bennett: In this year's allocation, of course, we gave them 25.

Mr. McClellan: Let us talk about last year's allocation. This was your big initiative in response to the Sudbury housing crisis. You gave them 10 units.

They had, if I am not mistaken, somewhere between 150 and 200 families with more than 60 points on the OHC waiting list, a total of somewhere between 500 and 600 family households on the OHC waiting list, and another large group of seniors.

Your response was to give them 10 rent-geared-to-income units by the end of the fiscal year, by the end of March 1984. Guess how

many of those have been picked up? None; not one.

Hon. Mr. Bennett: I just said that.

Mr. McClellan: By the end of the fiscal year not one of those units had been picked up. As of yesterday, five have been picked up. I understand from the Sudbury housing authority that it hopes it will get a further 20 to 25.

Hon. Mr. Bennett: Twenty.

Mr. McClellan: You do not strain yourself.

Hon. Mr. Bennett: You say, "You do not strain yourself." I told you the other night it was a catch-22 situation.

Mr. McClellan: It is obviously a supply problem. The vacancy rate in the private rental market is so low that the RGIs are not being picked up, cannot be picked up and will not be picked up. As of May 1984, there were 539 families and 168 seniors on the housing authority's waiting list. The only thing that is going to deal with that crisis is housing supply. You can offer them all the RGIs you have. They cannot find them; there is no space there. That is the only point I am trying to make.

How much longer are you going to wait before you initiate some new housing supply programs? Is that part of the negotiations you are into with CMHC?

Hon. Mr. Bennett: If you are asking whether the housing supply program is under the auspices of the government—that is, the actual building such as the old program of the Ontario Housing Corp.—the answer is no, we are not getting back into that program because there is no program and there is no provision in the mortgage field for it.

If you were to ask me what we hope to do under the program we are discussing with CMHC, if it comes to a successful conclusion, it would be to entice the private sector to get back into it through certain funding programs.

Third and most important, the city of Sudbury or the regional municipality of Sudbury could have established a municipal nonhousing—municipal nonprofit housing program.

Mr. McClellan: They have a nonhousing program.

Hon. Mr. Bennett: I beg your pardon?

Mr. McClellan: They already have a nonhousing program.

Hon. Mr. Bennett: I said nonprofit housing program, the same as Trenton, the same as Ottawa, the same as a raft of other communities

in this province that are a great deal smaller in numbers than is Sudbury or the Sudbury region.

I have said to Tom Davies, the chairman, and I have said to the mayor, "Surely to goodness Sudbury has as many qualifications to be in the municipal nonprofit housing business as does the city of Thunder Bay." That is the way they can help themselves in trying to bring some new units on stream.

Mr. O'Neil: How long does it take to set up something like that? Is it very little time?

Hon. Mr. Bennett: It depends on how quickly they want to go about getting their charter and all the other things. After they get their charter, they have to find a site that would be acceptable for the buildings. Then we would lend them upfront money to do some of the preliminary planning, soil testing and so on, to make sure the land they have acquired will be satisfactory for carrying the structures they require.

If we had the allocation from Ottawa—Sudbury would rate high in the allocation program, there is no doubt in my mind about that—they could commence construction. Depending on the number of units they build—

Mr. O'Neil: Allocation is still a problem.

Hon. Mr. Bennett: Yes, allocation is a problem. We have nothing left for the current year. We went into Casselman and Williamsburg, two very small communities in eastern Ontario. Their population is only a couple of thousand. They put their nonprofit housing program together. They established a nonprofit housing corporation. They have their charter. They have done all of the preliminary work and that is why we allocated in one case 32 units and in the other case 38 units, or something in that range. They will be on stream late this year or early next year for the people in those communities.

The same opportunity that was available in your community, Trenton, was available in Sudbury. I have to say to Mr. McClellan and others that I have never had a satisfactory answer from Sudbury as to why it did not proceed in that direction.

9 p.m.

Mr. McClellan: I have no explanation for that. With the great raft of Tories on the municipal councils in that area I would think you would have a little more influence on them, but they seem to be continuing—

Hon. Mr. Bennett: I was not aware there was a raft of Tories. I am looking at some of our statistics here.

Mr. McClellan: Are you getting a Tory head count?

Hon. Mr. Bennett: No. In this province right now, as I have said many times, one out of 10 rental units is used in the field of rent geared to income. That one out of 10 could be owned by the province, owned by municipal nonprofit or be a rent supplement unit from the private sector.

In Sudbury, one out of every seven rental units at this moment is a rent supplement unit. We are already at a fairly high percentage. In the case of Thunder Bay, it is one in 13. In the case of London, it is one in 14. In the case of Hamilton, it is one in eight. In my city, it is one in seven.

Mr. McClellan: That is great.

Hon. Mr. Bennett: In Windsor, it is one in seven.

Mr. McClellan: I probably do not need to ask any of my questions, Mr. Chairman, because the minister has just solved the Sudbury housing crisis with the appropriate statistics.

Hon. Mr. Bennett: I have not solved it. I have just given you some statistics to show that we have not been asleep at the switch.

Mr. Breagha: But you are now.

Hon. Mr. Bennett: No, we are not. I would say it to the municipalities, and I would say it even in this forum where it is on record.

Mr. Breagha: It is either the feds who are wrong or the municipalities that are wrong. It is never the province.

Hon. Mr. Bennett: But the municipalities have been offered the opportunity, under the auspices of the federal-provincial program.

Mr. Breagha: I will not admit I was wrong. You are not number four; you are down around 13 or so.

Hon. Mr. Bennett: That is good. Mr. Grossman will be delighted to hear that.

Mr. Breagha: Are you running?

Mr. McClellan: There are two other things I find passing strange. One of them again has to do with federal insanity. There are 60 to 70 CMHC units that are on the market and, as I understand it, CMHC is refusing to put them on the rental market. They are insisting that they be on the sale market.

Hon. Mr. Bennett: Tell me, do they have a federal Liberal minister up there?

Mr. McClellan: They seem to have a whole raft of federal Liberal ministers up there.

Mr. O'Neil: Here we go, blaming the federal Liberals again.

Hon. Mr. Bennett: No, I was just hoping that she could get the message through to the minister or CMHC.

Mr. O'Neil: I will tell her you fellows were all asking about her.

Hon. Mr. Bennett: I see her in the morning when I am down jogging around the canal in Ottawa. She is out getting her exercise. Maybe I should stop the next time and chat with her.

Mr. McClellan: Leaving aside the question of the obvious incompetence of the federal Liberal ministers in the Sudbury basin, have you—

Mr. Epp: When you direct those slurs at people, you are indirectly directing them at the public that elected them. I do not think the people in Sudbury want to hear that.

Mr. McClellan: You go up there and tell them what a great job they are doing, Herb. I am sure you would be greeted with—

Mr. Breaugh: We will give you a list of 539 doors you can knock on to start with.

Mr. McClellan: My question, coming to it in a roundabout way, is, have you and your officials been trying to negotiate with CMHC to get access to those vacant CMHC units, which have been sitting idle for a considerable period at a time when more than 500 families are desperate for housing accommodation?

Mr. Pitura: Mr. Chairman, we talked to CMHC and it wants to put those units on the market to sell, not to rent. Their concern is that if they rent them for a year, they will stay in that rental category longer than they had planned for. The reaction we get is that they do not want to rent them.

Mr. McClellan: There you go.

Mr. Pitura: We have suggested in another response that there are, I think, 21 units of that type available in Chelmsford, part of the town of Rayside-Balfour. We have written to the municipality saying, as the minister has already mentioned in regard to Sudbury, if they wanted to form a municipal nonprofit corporation, then the acquisition of the units could take place under that program. Again, it would be at the initiative of the municipality.

Mr. McClellan: That is interesting. I am not sure how many there are. Between 60 and 70? I did not get a precise number of units. You are saying it would be feasible—I assume you have costed this—to purchase those units under section 56.1, assuming the allocation was forthcoming, assuming they set up a municipal nonprofit corporation. The economics of the thing are not

too unrealistic or too out of whack for them to consider purchasing those CMHC units on the market and turning them into affordable rental?

Mr. Pitura: We do not have a detailed investigation of the need for repairs in some of those units to bring them up to a certain standard. One of the philosophies under the municipal nonprofit program is that we go on a best-buy principle. If it is going to cost more money to repair them and bring them on stream than to build new, then obviously they would not fulfill that principle, so we would not proceed that way. But we have not done any detailed work on what is needed.

Mr. McClellan: Are they assisted home ownership program units that were repossessed?

Mr. Pitura: That is my understanding, yes.

Mr. McClellan: That was a great program. I am sorry the minister had to leave for a moment, but I sure he will read it in Hansard. Earlier in the debate, I raised concerns about the Ontario Housing Corp. point rating system. One of the things I was told in Sudbury, which I had not realized, is that one of the more bizarre features of the point rating system is that eviction for cause does not get you any points on that system.

In a place like Sudbury, where we have literally thousands of people who have been out of work for years, who have exhausted their unemployment insurance benefits and are being evicted on a large-scale basis for nonpayment of rent simply because they are dead flat broke, that kind of situation does not get you any points to qualify for a high-priority position on the OHC waiting list. That is absurd.

What is happening in Sudbury, as it was explained to me, is that people who have lost their jobs, have used up all their savings, are heavily in debt and have exhausted their unemployment insurance benefits, end up on welfare and are evicted from their homes for nonpayment of rent. You have a phenomenon in Sudbury where people are doubling up and tripling up with their relatives all over town, and they get no points, as I understand it, on the point rating system if they double up with relatives.

Mr. Pitura: Yes, they do.

Mr. McClellan: They do? I may be wrong. I am asking questions here. This is what I was told yesterday.

If they do not pay rent to their in-laws, they do not get any points. I guess a high-rent score gives them some points on the rating system. That is a real catch-22 situation. The sense people have in Sudbury is, even although there are a lot of

families on the waiting list who have 60 points or more, that does not give a true measure of the extent of the crisis, because there are many families who have lost their homes for nonpayment of rent or doubled-up families who are broken up all over the community.

The ultimate bottom line is that it is a hopeless enterprise anyway. The Sudbury District Housing Authority does not have the capacity to move people in, and nobody is moving out. When you are doing a review of your point rating system, that is one of the things you ought to be taking a good hard look at.

I do not want to leave a misunderstanding. Have I misinterpreted the point rating system?

Mr. Pitura: I think you have to some degree, but, as the minister mentioned the other night, the committee of Mr. Moses and Mr. McLean will be dealing with housing authorities and with municipal nonprofit corporations in a review of the point rating system. Presumably, if this is an issue among the housing authorities, it will be part of the report of that committee.

Mr. McClellan: We look forward to that report. I think it is an important exercise.

9:10 p.m.

Just one more question for now, then some other people may have questions. I wish I had brought it with me, but the Treasurer made some fairly specific references in his budget address to what appeared to be new housing initiatives, couched in such vague and ambiguous language as to be virtually unintelligible. They were also spread over a five-year period.

Could you tell us, in the estimates that are in front of us today, to what the Treasurer was referring? If they are not here could you tell us, as precisely as possible, what the program initiatives are that the Treasurer was referring to in his budget address?

Hon. Mr. Bennett: It was to take up all the units we could get from the Canada rental supply program. That was one of the areas. It was to look at the additional units that we could take up under municipal nonprofit and private nonprofit. It was looking at the possibility of units we are going to get through convert-to-rent and so on. They would also involve what we can do in negotiations in private nonprofits and co-ops beyond what we are doing today, with optimism.

It also looks at some of the other things we might be able to do over the next one or two years. It gives us the flexibility of trying to get involved and also gives us the flexibility of going

back to our federal friends and saying we do have some money so let us try to design a program.

Mr. McClellan: So for 1984-85, how many additional units would there be? I guess we are talking principally about rent-geared-to-income allocations, is that right?

Hon. Mr. Bennett: You mean how many more? I think 970.

Mr. McClellan: This coming year?

Hon. Mr. Bennett: Correct.

Mr. McClellan: This is additional to the targets shown on page 189 of our briefing book, which shows the 1984-85 targets? Or is that 970 included in the figures set out on page 189?

Hon. Mr. Bennett: In addition to these.

Mr. McClellan: Okay. You do not have a breakdown by program, do you?

Hon. Mr. Bennett: No, we do not.

Mr. McClellan: When do you suppose you would have that?

Hon. Mr. Bennett: At the completion of it.

Mr. McClellan: At the end of 1984-85?

Hon. Mr. Bennett: We have taken a global position so that we have some flexibility in dealing with all of them and trying to extract as much as we can.

Mr. McClellan: I am looking at page 189. Why would you be reducing the number of Ontario community housing assistance program allocations from 612 to 500? When you were talking to Mr. O'Neil and at other times during these estimates you talked about an expectation that you would be increasing the number of subsidy allocations.

Hon. Mr. Bennett: Originally, when the allocations were made and this money was first brought up, it was based on the funding we had at the time. Now, with the additional allocation, we were able to take that back up to the maximum we could get from OCHAP or the private nonprofit as well. So that is where it will have an impact—on some of those figures.

Mr. McClellan: Okay. That is something we will have to look at again at the end of the fiscal year, to see how you have done in relation to your targets and where you are heading on the additional 970 units.

I am absolutely convinced that until you can either resuscitate or revive the housing supply programs under section 56.1, or make the great leap forward into a separate provincial housing supply program, it is useless to rely on the private

sector. I agree that a partnership program is infinitely preferable, but unless you do something to revive the nonprofit sector housing supply programs, I think it is chasing a will-o'-the-wisp trying to get the private sector to build affordable housing. I really do.

I think it is a bottomless pit of public expenditure, where the benefits are not properly targeted and where public dollars are used to provide private equity. We have seen this with the Ontario rental construction loan program and the Canada rental supply program. You have no guarantee you will actually get a reasonable return in terms of a rational number of subsidized units in comparison to the whole. I am absolutely convinced of that.

Hon. Mr. Bennett: What you say seems absolutely correct. If we had the allocation we could have taken up all the units that would have been made available to the ORCL program. We did not have that allocation but we did succeed in getting the moderately priced units into the marketplace for middle-income people. Also, we did succeed in getting some construction and getting some employment, which is ultimately of great importance to your party, to our party and to the government and people of Ontario.

Those things we did achieve. We may not have got the rent-geared-to-income units in the numbers we were hoping for, but we did get some. Let us not miss the point: as long as we have the mortgage on that building or that money outstanding, we have a call on the units if and when they become available, and we have the allocation factor that will allow us to move. So even though we do not have them in the current year and we may not have them in the next year, if we have an allocation factor at some point that will accommodate taking up some of the units, they still have to be made available to us when they become vacant.

Mr. McClellan: That is the key: when they become vacant. You know as well as I do that affordable units are not going to become available in any large numbers.

Hon. Mr. Bennett: You are not so naïve as to believe there is no turnover; there is constant turnover. All you have to do is look at the real estate pages, look at the advertising and so on. You know there is a constant turnover in those units.

That is why we got into the renter-buy program. We developed the renter-buy program to do exactly what you are saying does not happen, which was to get people to move out of moderately priced rental accommodation, rental

accommodation that was under rent control, and make it available to families in a different income scale. It succeeded very well.

Mr. McClellan: We are both making predictions and, as I say, we will have to wait and see whose predictions turn out.

Hon. Mr. Bennett: Which predictions?

Mr. McClellan: I am saying the supply is not going to open up.

Hon. Mr. Bennett: Unless there are very substantial federal-provincial government subsidies. Whether they be under municipal nonprofit, private nonprofit, co-ops or the private sector completely, in every case very substantial provincial-federal moneys are required to make it move. Because a municipal nonprofit happens to build the building does not make it one damned bit cheaper per square foot than if the private sector builds it.

Mr. McClellan: No, but it gives you more control. There are all kinds of problems, and you are trying to address some of them; but I just think you are going to have an easier time increasing your targeting through a reliance on the nonprofit sector than you are through a reliance on the for-profit sector.

Hon. Mr. Bennett: I am not sure why, but let me answer the other question.

Mr. McClellan: That is just based on the history of housing programs over the course of the last 20 years.

Hon. Mr. Bennett: But you said it was not targeted properly. I have listened to the private sector tell me the nonprofit program is not targeted properly. I have to ask the question: what do you mean by saying it is not targeted properly? If you mean that 100 per cent of the units in those municipal nonprofits and so on should be used for rent-geared-to-income units, I will tell you it will never succeed. In today's environment it would be—

Mr. McClellan: You are trying to put words in my mouth.

Hon. Mr. Bennett: I am not trying to do that; I am suggesting to you—

Mr. McClellan: You know what my position is. I have said it about 100 times: about 50 per cent would be a reasonable target.

Hon. Mr. Bennett: I tell you that is still too high, because once you are at 50 per cent you will find that you will be at 100 per cent in very short order.

Mr. McClellan: I do not believe that.

Hon. Mr. Bennett: You may not believe it, but I will tell you just from talking to people that this is why the private sector had some resistance at 33 1/3 per cent on the Canada rental supply program; it felt it was too heavy an impact on its building to try to get market rents from the other two thirds of the people.

That is the feeling in the private sector. I have to tell you it is not only the feeling in the private sector; let me suggest that it is also the feeling of some people in the municipal nonprofit sector that going to 35 per cent on rent geared to income, the low-income scale, is too heavy an impact on their projects.

When you get municipal organizations saying this, then what would you expect from the private sector? If it is not good enough for the municipal sector, why should the private sector figure it is good enough for it to take?

I suggest very clearly it is very difficult today to try to target the money as precisely as some people think we should. If you are going to make a housing project work, you have to have a blend. You have to have the rent-geared-to-income, you have to have the middle income and then you have to have some at market rent.

Mr. McClellan: I agree with that.

Hon. Mr. Bennett: If we were to try to say, as I have listened to the private sector try to say, that we should be targeting all our money to the low income, if we were to suggest to any municipality today that it should build a municipal nonprofit apartment building in a community and say it should be 100 per cent rent geared to income, I will guarantee it would not get off the ground. The public resistance would be more than the council could bear; the heat would be sufficient in the kitchen to drive all the politicians out.

Mr. McClellan: Nobody is talking about that except for John Sandusky and the Housing and Urban Development Association of Canada and the Canadian Institute of Public Real Estate Companies. I am certainly not talking about that, so do not try to make it appear that I am.

Hon. Mr. Bennett: I did not mention that name, but I can see you read the newspapers.

Mr. McClellan: I even talk to them.

Hon. Mr. Bennett: Can you convince him? Or has he convinced you?

Mr. McClellan: No, we had a good exchange of views.

That is all I have right now, Mr. Chairman.

9:20 p.m.

Mr. Chairman: Any further discussion on vote 2504?

Hon. Mr. Bennett: Are we on 2504 or 2505?

Mr. Chairman: It is 2504.

Hon. Mr. Bennett: I do not know where we are.

Mr. Epp: Where exactly are you with respect to the add-a-unit and conserve-a-unit projects? You alluded to this earlier. There are just a few units that have been approved to date on that. You indicated you are encountering some problems because you are dealing with a unit at a time. Are you making any real progress with respect to working out the bugs on that?

Hon. Mr. Bennett: We have a presentation on what we have done so far, if you would like to see it.

Mr. Epp: Right here?

Hon. Mr. Bennett: Yes.

Mr. Epp: Let us have that now.

Mr. Chairman: That comes next.

Hon. Mr. Bennett: Ms. Davis, do you want to—

Mr. Chairman: You did not think you were going to be on, did you?

Ms. Davis: Mr. Chairman, that material is at the end of the presentation. Do we have to do the whole thing?

Mr. Epp: What is at the end? Is it "Vote for Claude Bennett" as part of his billboard?

Hon. Mr. Bennett: Yes. That is right. It is there constantly, 24 hours a day. I even get an extra day in leap year. Mr. MacQuarrie passes it about three times a week and it does the right thing for him.

Mr. Villeneuve: It sends him to Toronto.

Hon. Mr. Bennett: No, back to his own riding; he does not make it to Toronto.

Ms. Davis: Mr. Chairman, we shall be talking tonight about the number of initiatives undertaken in the ministry to consolidate the renovation process, specifically, the rental loan program and the two pilot projects. My colleague Crom Sparling will follow with a presentation on the convert-to-rent program.

First, however, I would like to put this in context and give some background on the climate for renovation demand in the province. There are demographic changes that have led to a change in the type of housing demanded. New construction has been unable to reflect these changes.

The existing stock has great potential but still faces some difficulties. When one looks at the

major trends, we have a large ageing housing stock that needs to be adapted and upgraded. We have three million units in Ontario and 55 per cent of them are more than 20 years of age. There is limited actual growth potential for older communities, which reinforces the need to utilize the existing stock to its full potential.

There is a high investment in the existing infrastructure, which means this approach makes good sense. In summary, we are discussing the mismatch between existing stock and market characteristics, which are illustrated by the demographics of the 1980s. Some of the implications of this mismatch are the growth in housing renovation activity, increase in the conservation needs of rental stock and the more intensified use of existing housing and neighbourhoods by infill, conversion and redevelopment.

In order that renovation can play a role in solving this mismatch, we need to remove the obstacles by smoothing the way for mortgage financing—more of this in a moment—through legislation; renovation provisions in the building code—the proposed part XI of the building code will make it easier to renovate without reducing the life, health and safety factors; a consumer education and information campaign; a series of brochures on consumer information through seminars; training and education of municipal inspectors and renovators, which will remove some of the lender and home owner concerns about the renovation process; and lastly, the Ontario renewal awards program—we give awards for excellence in renovation and the media coverage we get from that program has a demonstration effect and a technology transfer component.

Pursuing the theme of making better use of our existing resources, we now have a two-pronged approach. One is to conserve rental housing and the second is to intensify the use of existing buildings. We have two pilot projects in the associated research: the add-a-unit and conserve-a-unit projects mentioned here today; and second, conversion of nonresidential to residential accommodation.

We are looking at the potential within this segment. When you are looking at the add-a-unit, you are looking at this point on the chart; and when you are looking there, you are looking at the conserve-a-unit.

Before we get to that, let us take a closer look at the renovation financing. There is a high risk for lenders in the renovation process. Interim financing is limited and expensive, with no

guarantee of long-term loans. The impact on home owners means the interest rates are much higher than for new housing. Many people choose to postpone or delay until their personal savings can account for the money they need to put the renovations in place. So the challenge to the province was to facilitate mortgage financing at conventional mortgage rates by removing the risk factor. Our solution was mortgage insurance, which we named RenoLoan.

RenoLoan is a program that took us two years to complete with the private sector. The Mortgage Insurance Co. of Canada and ourselves jointly developed this program. It significantly increases the lender's loan security through financial guarantees and second underwriting risk assessment, because you have to have two assessments, both the lender and the MICC.

It facilitates high-ratio loans, which means you can get up to 85 per cent of the total value of the house. Many people had to get a second mortgage for renovation because many of them were still paying off the first in buying the house. Eligibility is confined to renovations by an existing home owner or renovations prior to occupancy.

As far as the province is concerned, it means no additional provincial administration or staff. It means the renovation potential is for \$500 million in renovations over a five-year period, 25,000 years of employment and improvements to 25,000 homes. The goal is that we should eventually have a self-sufficient program with an increase in lender awareness of the problems of renovation and an upgrading of renovators' skills. The provincial exposure is \$15 million over a five-year period.

Then we come to the two pilot projects we were discussing earlier. The first is the conserve-a-unit. The ministry and the Association of Municipalities of Ontario had a joint study which examined the high-rise conservation problems. However, it also identified low-rise rental as an area in need of further investigation and recommended this low-rise pilot project.

Conserve-a-unit also has two other broad objectives: to find out to what extent the low-rise stock is in need of conservation action or is in jeopardy; and to find what difficulties small landlords face. We have made available up to \$7,000 per unit to put this in place in four communities: Toronto, Thunder Bay, Ottawa and Hamilton.

The add-a-unit project was also created because of the joint ministry and AMO study. It shows the potential for conversion in 500,000

homes. The same study recommended a pilot project rather than a full-fledged program. Add-a-unit looks at the feasibility of adding a unit to an existing dwelling and will evaluate the feasibility of government incentives. It will provide a data and information base for resource material aimed at home owners, renovators and municipalities. Again, it is in the same four communities. Those communities were chosen because we had been working with them previously and they exhibited the appropriate rates.

9:30 p.m.

If you have any questions, I could answer them now because we have to set this up slightly differently for Mr. Sparling to follow with his presentation.

Mr. Epp: What do you mean by making it a self-sufficient program? Do you want to elaborate on that?

Ms. Davis: Yes. Lenders did not wish to become involved in the program or did not wish to become involved in mortgage financing because of the perceived risk. We think it is just that, a perceived risk, not real. But we were willing, with the Mortgage Insurance Co. of Canada, to undertake a program that was for a limited time period and for a limited number of units put in place to underwrite the mortgage insurance. We feel very strongly, as does MICC, that over time it is something lenders are going to take up on their own. There will be no further need for the province to be involved.

Mr. Epp: To what extent was AMO involved? I noticed you mentioned this was a joint study.

Ms. Davis: Not on RenoLoan; the two pilots.

Mr. Epp: It was involved in conserve-a-unit and add-a-unit?

Ms. Davis: It was very involved. We had a long study with AMO that took more than a year to complete. Its housing committee had three representatives on the committee. We had virtually the same number of people from AMO as we did from the ministry on the committee that put together terms of reference for the programs and worked right through the whole process.

Mr. Epp: Did AMO pick up some of the costs of the provincial government?

Ms. Davis: No, it did not.

Mr. Chairman: How are the experimental programs going in those four communities? Is there much participation, little participation or something in between?

Ms. Davis: As the minister said, they are going slightly more slowly than we hoped, but not really more slowly than we anticipated. The reason, particularly on the add-a-unit, which is only a pilot and not a program, is that we knew there were many other problems. It is not just the physical act of turning it into another unit. The municipalities had to be on board. They have to feel their zoning bylaws can be amended.

In every case—in the city of Toronto in 80 per cent of the cases—we have had to go for committee of adjustment approval, which is not surprising, although it seems to surprise some people who think you can go through the process very quickly. One of the reasons for doing the pilot was so we could understand the process and the constraints that were part of the process. It is the same with conserve-a-unit.

Mr. Epp: How much did you spend on publicity and advertising for both those programs?

Ms. Davis: For add-a-unit and conserve-a-unit?

Mr. Epp: Yes.

Ms. Davis: I cannot give you the exact figures, but it was very low. We put small ads in the papers of the four municipalities we were involved with. We tried to make sure everybody was aware the program was in existence so everybody had equal opportunity to get involved, but it certainly was nothing blitzy at all.

Mr. Epp: How low is low? Is it \$15,000, \$50,000, \$150,000?

Ms. Davis: I think it was \$12,000 or \$13,000, but I am not sure. We are talking in that sort of ball park.

Mr. McClellan: I was trying to find it in the briefing book. Does anybody know offhand where it is?

Mr. Epp: It is on page 173.

Hon. Mr. Bennett: Sylvia, would it be fair to say one of the problems we have is we are dealing with people who, to all intents and purposes, are neophytes in the whole area of building inspection, building planning, permits, zoning bylaws and so on?

Ms. Davis: Exactly.

Hon. Mr. Bennett: That has been one of the problems. You virtually had to have a hands-on approach right from when the potential applicant comes in to see you. It is a matter of taking them through every step of the way. You even have to get the financing arranged, so it is a tedious—

Ms. Davis: That is exactly right, sir. Particularly in add-a-unit, one of the things we hope to publish at the end is the vagaries of the system. It is not so simple and you really do have to understand every step of the process before you can become involved in it.

Mr. Epp: This was a pilot project in Ontario. Have any other jurisdictions attempted this program?

Ms. Davis: They put an add-a-unit program in place in Alberta, which did not work for two reasons. The major one was that they did not have a renovation code and the costs were too high. They had very minimal takeup.

Mr. Epp: I have a related question I should direct to the minister. We have so many different programs that it must be very confusing. It confuses me and I am sure it confuses many others who do not deal with the programs on a daily basis. Have you ever thought of trying to join some of these programs together rather than trying to find different programs and different criteria on which to run them?

I am sure it must be totally confusing out there and it must be a bureaucratic mess from the standpoint of people coming in and saying, "I would like to get some money for this." They direct them to this program and it does not quite fit, so they go to that program and it does not fit and they go to a third program. It is confusing, to say the least.

Hon. Mr. Bennett: The problem is that we are trying to design programs that fit specific requirements. You can make a global presentation, but then somebody will say you are wasting a lot of time because if you are interested only in the convert-a-unit and not the add-a-unit or conserve-a-unit, you really have to wonder whether—

Mr. Epp: If you have met two, three or four of the conditions within a program, do you have to have a project whereby you have to meet every criterion in the program? In other words, if you had enough criteria there, you would incorporate the former assisted rental program units, the convert-a-unit, the add-a-unit and the conserve-a-unit and so forth; and if you met some of the criteria it would be less confusing than having to meet all the criteria.

Hon. Mr. Bennett: They are so different, though. The add-a-unit is such a different thing from the convert-a-unit. I am not sure we could find a much simpler way to deliver the program so that there was no misunderstanding, whether it be the convert-a-unit, the add-a-unit, the con-

serve-a-unit or whatever it is. All operate through Sylvia's division. If you come in and you do not qualify for a program, and if Sylvia or one of the others says you should really be applying under B instead of A, then you are still dealing with the right people. It is not as though there are different divisions in the ministry that look after this particular situation; it is all one.

I do not know how we could run it together. We are the first ones, really, to say there are too darn many programs around, but we are trying to target specific issues. The RenoLoan program was another one. Somebody asked: "Why do you have to get into that? Why not run it into another one?" It is a specific issue; each one has been specific.

I do not know how we could do it and not come out with a giant-sized brochure such that two thirds of it or better would be of no interest to you in what you are doing, while the other section of the book might interest another fellow who could not care about the section you are working in.

We tried, for reasons of simplicity, to put out a piece of literature that zeroed in on the specific area you wanted to read about so we could highlight some of the problems you might encounter and how we might be able to assist you to overcome them.

Mr. Epp: Even with the programs you have it is complex enough. But then you have people who want to get some assistance under the federal programs, and they say: "This is my problem. I am not sure whether the provincial program or the federal program will meet those kinds of criteria."

Hon. Mr. Bennett: You would ask Sylvia and her division. She could tell you whether you qualified for a federal program.

Mr. Epp: So I just call her up whenever there is something. What is your number?

Hon. Mr. Bennett: Only the office number, Sylvia.

Mr. Epp: That is all I asked for.

Ms. Davis: We always refer people to the federal government if we think it has a program that will fit.

Mr. McClellan: May I just ask one more question about the conserve-a-unit project? One of the things that strikes me right off the bat is the possibility that landlords would take the opportunity to upgrade their units to luxury accommodation as opposed to maintaining low-rent accommodation which one would assume would be affordable. Are there some protections against that?

Hon. Mr. Bennett: They are certainly not going to do it with \$7,000; that is the first thing.

Mr. McClellan: Per unit.

Hon. Mr. Bennett: They are still not going to do it for \$7,000 per unit. The conserve-a-unit thing mainly comes in where people are looking at whether it is more practical to demolish and rebuild because of the inefficient way the building was originally constructed. That is not a criticism, it refers to the types of products and material that were used.

For example, we looked at some of the apartment buildings in certain parts of the province that were built just before or right after the war. They all had steel-framed windows, and there is no energy conservation with those, let me tell you. If you start to change them, you can go through a fair pile of money with each unit. Then you have to look at some of the electrical work and plumbing.

9:40 p.m.

Our feeling is that starting with \$7,000 you are not going to get into a luxury condominium unless it was that to start with; and if it was, he would not get the loan.

Ms. Davis: It has to be built prior to 1955, so most people with those developments are in need of some help.

Hon. Mr. Bennett: The next one is the convert-to-rent program. I think that is the one you wanted to see.

Mr. McClellan: One would apply directly to the ministry for either of these two programs?

Mr. Epp: I notice you have a conserve unit in there. Do you have a progress unit in there too?

Hon. Mr. Bennett: We will have before the next election.

Mr. Chairman: Preserve, conserve.

Hon. Mr. Bennett: Now that you have given me the idea, I will try to get a program in the works.

Mr. Epp: I did not give you that idea.

Mr. Sparling: Mr. Chairman, I am Crom Sparling, director of housing policy and program development, and I am here to talk about convert-to-rent. I am going to give a brief introduction, with the help of a couple of slides, as to what the program is, what it is trying to accomplish and how it works; then I am going to show a number of examples of projects which are now under renovation to give a better feel for what the program can actually accomplish.

The convert-to-rent program has two major thrusts. The first is that conversions are a change

of use. The second is a bit of a jargon word, intensification, or making better use of what we have. Some examples of this second category could be unused storage space or garages in a residential building, or adding another storey to a residential building. Under the first case, conversion could be of a warehouse or the space over a store, etc.

The direct objectives of the program are pretty straightforward: 2,600 units, cheaper than house construction, and generating employment in the construction industry.

A number of indirect goals also are very important. First, the convert-to-rent program fits into one of the ministry's overall thrusts: making better use of what we have. We are also trying to encourage municipalities to be more flexible and to recognize the potential that exists for converting nonresidential structures and for intensification.

Last, a very important point, we are trying to reach a kind of developer we have not dealt with before. These are not your Greenwins and Meridians and Bramaleas. We are dealing generally with very small developers and you can see from the kinds of projects the level of developer we are talking about.

The program itself provides \$7,000 for each new unit created, either by intensification or by these conversions. It is provided through an interest-free second mortgage for 15 years.

I am going to turn to some of the examples. The projects are in a variety of stages of construction. The pictures were, in essence, all taken at the same time.

The first group we are going to see consists of partial conversions, where part of the project is converted. What you are looking at here is not a convert-to-rent project. This is looking from one of them across the main street in Barrie and that is the town hall. This is looking from the front of it. This is the project itself.

Interjections.

Mr. Chairman: Why did you not say it was in Vespra? Then we really would have had trouble.

Mr. Sparling: This project is quite interesting. The ground floor, as you can see, was straight commercial, if you will. The upper floor has been vacant for some time. The building itself is 110 years old and has had a variety of uses. The reason it is good in this case is that this building in downtown Barrie was really derelict, the kind of thing that could occur in a number of smaller municipalities. Obviously something had to be done to spruce it up.

This is what we have been able to accomplish. We have six bachelor units here. This is a view from the side and another view from the back. The building has been substantially spruced up. It is right downtown, a good focal point for the tourists, and there are a reasonable number of tourists in Barrie. That is the kind of thing the project can do.

The next one we have is in Ottawa. You will notice the Fat Albert's. This is four units.

Hon. Mr. Bennett: The Fat Albert's is great. It used to feed all the people at national Liberal headquarters. It still does.

Mr. Sparling: The convert-to-rent itself is at the far end of this picture. At the far end of this picture, there was a two-storey warehouse, which was relatively new, but the second floor had always been vacant from the day it was built. The ground floor has had a variety of uses.

This is another view from the side of the actual portion that has had convert-to-rent treatment. As you can see, the upper floor has been converted. It fits in well with the strip commercial which has residential on top of it as well. It has been able to put unused space to use in one of our major municipalities. This is a view from the back. You can see it is well landscaped at the back and fits in nicely with the overall community.

The next slides are of nine one-bedroom units in Cornwall. This does not look all that large, but the project goes out quite a depth at the back. This is a view from the side. The red was original, but at the back you can see a bit of some grey siding as well. This is another picture of it from the back.

The second storey of this was vacant for a time. It had been occupied by the electrical company. The electrical company moved downstairs. The upper floor was vacant. It was right downtown in Cornwall. It was a perfect use for this empty space. Now we have nine one-bedroom units.

The next group of projects we are going to look at is residential units being added to a non-residential building. This is in Toronto, up on Bayview. This was a one-storey building. It was the only one-storey building in this block. The owner took advantage of that and has put in two units. This is the front view and there is the rear view. You can see the residential entrance on the left.

An interesting point about this one is that they have been able to do something very nice architecturally on the inside of the building. An architect was actually hired for this. There is a

skylight for the corridor and it is very light and airy.

Here is another view of it. It is quite a pleasing little property.

The next one is also in Toronto. It is on Rogers Road. It is the Rowntree Bakery. There is going to be a two-storey addition on top of the bakery with 12 two-bedroom units, which is a tremendous intensification of use of this site.

Mr. McClellan: Do you have a sense of what the rent will be at that project?

Mr. Sparling: Yes. This project is going to have rents ranging from \$450 to \$500.

Mr. Epp: You have no control over it.

Mr. Sparling: We have control over first-year rents, but not thereafter.

Mr. Epp: After that, of course, they are not under rent review because they were developed after 1976.

Mr. Sparling: The next four projects are all of a type. It is where the whole building has been worked on, but each is a very different example.

This is a project in Penetanguishene. The original structure was a one-storey bunker. It was a concrete block warehouse and an office which, as you can see, has been totally renovated. They have redone the entire first floor and added a second floor. It was almost finished when these pictures were taken.

Physically, it is a beautiful location. It is up against the woods at the back with a view over the bay. There is a view at the back as well. There is a lot of nice wood on the outside, with balconies, etc.

This is a view of the inside. There are three two-bedroom and one one-bedroom units. The rents are \$310 to \$380; \$380 for the two-bedroom units. They are quite reasonably priced.

This relatively ugly looking structure is in Cornwall. It is on Pitt Street. It is right downtown. It was a Canadian Tire store; Canadian Tire moved elsewhere. It was vacant. I have seen artists' renderings of what the final product is going to look like, and it is going to be beautiful. The local alderman is ecstatic. There were presentations to council when they actually approved rezoning for it and they were really keen on it.

Cornwall is a municipality that has jumped on the bandwagon with this program. The project is going to be huge. There will 30 units in this building. This is turning around and getting a view down the main drag towards the centre of town. Work was under way when these pictures were taken. This is a picture from the back of the

building to give you an idea of its size. We are looking at a major renovation. Thirty units in downtown Cornwall is a big impetus.

9:40 p.m.

This is another view from the back where one of the original walls was not up to the structural capacity and they had to put in another wall.

Let me move on to Penetanguishene, which is another town that is absolutely jumping into the program with both feet. This is a very interesting project. There are going to be 40 units and two stores. This was an old factory built in the 1940s to produce shoes for wartime purposes, right on the main street of Penetanguishene. It has had a variety of uses over the years but has been vacant for about two years. When this program came out, the owner was approached by a developer who thought it would be a perfect opportunity to take up the program.

This is a view down the left-hand side of the project. It backs on to the bay, if you know Penetanguishene. This is looking at the right-hand side of the project. Right up that hill is the centre of Penetanguishene.

This is another example of the program being good. In the downtown core of a reasonably large southern Ontario town we had what was really a derelict building. The municipality and the developer were able to get together and do a tremendous job. I have seen artists' renderings for it.

At the front, along this main street, there will be two commercial enterprises. The fairly ugly little area where the construction shack is over on the right-hand side is going to have a landscaped courtyard. There will be a second-storey addition of units and the ground floor will be totally renovated. This part at the back is all going to be ripped down. The units are going to have walkouts to the back. At the end of this, I will show you what their view is going to be over the bay.

These pictures show the inside. It is a typical abandoned factory, which is quite huge. These pictures are all of the same location. To give you an idea of the size, this is about a quarter of the space that is being renovated. The work was under way when our people were there; they are literally ripping it right back to the brick and starting over.

Mr. Epp: What kind of problems have you had with respect to zoning? All these must be zoned industrial or commercial.

Mr. Sparling: A number of them had to undergo rezonings. In this case, the municipality has bent over backwards. It has been excellent.

Mr. Epp: Have you had any problems with any the municipalities?

Mr. Sparling: Some of them are not as willing to bend as others. This is the kind of program where, if the municipality wants to make it work, it can really make it work.

This gives you an idea of how light and airy it is going to be inside, when it is finished. That is a view out the back. It is a beautiful location. Again, it was a derelict, downtown—

Mr. Epp: Is this Penetanguishene?

Mr. Sparling: Yes. It is one of the larger projects that has been approved to date, in fact.

Mr. McClelland: Do you know what the total cost per unit will be, for this project, for example?

Mr. Sparling: It is \$32,000 a unit.

Mr. McClelland: Is that tending to be an average cost?

Mr. Sparling: It might even tend to the high side.

Mr. McClelland: What is the range? From \$32,000 to what?

Mr. Sparling: For the projects I have shown you so far, we are looking at \$27,000, \$27,500, \$32,000, \$34,000. If you are interested in rents, this is 40 units and two stores, and we have all the way from bachelors to three-bedroom units. The rents are going to range from \$335 to \$465. It is a tremendous source of relatively moderate cost accommodation.

Mr. Epp: They would not be economically feasible without your \$7,000 assistance.

Mr. Sparling: Not without our assistance.

Mr. Chairman: You showed a number of projects in two communities in particular, Cornwall and Penetanguishene. Were they the same developers in Penetang? I do not mean the same in Penetang and in Cornwall, but is the same developer developing all the projects in Penetang?

Mr. Sparling: No, every project has been different. In Cornwall, one developer has about three projects. I give the guy credit. He and his wife have really jumped on it and been able to capitalize.

Mr. Chairman: Did he own the properties before he started to develop?

Mr. Sparling: The Canadian Tire store? No. They bought that.

Mr. Chairman: He saw the potential and went in.

Mr. Sparling: Yes, he did.

The last project is one of my favourites. It is in the hamlet of Baxter. Who has ever heard of Baxter? It is just south of Canadian Forces Base Borden, just up from Alliston.

This was a small municipal building which, for some reason, was not required any more. It was sitting vacant and a local builder saw it and decided to capitalize on it. It has been turned into three two-bedroom units, and it is a perfect fit for the program. This is a view from the back and it looks as though it always was residential. It was not, but it really fits the concept of the program.

Just as quick wrapup, the program was designed to produce 2,600 units and to date we have applications for 1,800 units, so we are very encouraged by the response. The reason we have not had the full 2,600 is that we have looked carefully at projects and, as you say, a lot of them require rezoning and there is of course a fair lead time in getting those rezonings through and under way.

So we are not at all unhappy with the response to date. We are very encouraged.

I wish to make a second comment here. I am just going to re-emphasize the municipal role. If the municipality wants to make this program work, it can really work very well.

The last comment will be about demonstrations. Some of these projects are going to lend themselves to a demonstration concept for a variety of reasons. It could be, for instance, to demonstrate the feasibility of the new renovation code. It could be that the project is unique or very inventive. We are going to be working with Sylvia's unit on these and putting out educational brochures, not only to convince the municipalities but to try to push public perception that this is a viable alternative.

Mr. Epp: I have no objection to your pushing for more, but you said you have had 1,800 approved and there are a number of others that are being held back. Then all of a sudden you will get the 2,600 and that is it. That is your limit.

Are you going to expand the program? Perhaps that should be more properly directed to the minister, but are you going to expand or are you going to say: "That was a great experience. Now we will find another program with another name"?

Hon. Mr. Bennett: Mr. Chairman, when I introduced the program I said that we were in a pilot situation. None of us had any real experience. We were not sure of the takeup. We were not sure whether the private sector would be interested. We did not know whether the

municipalities would be interested. Even though we had had some discussion with them, we certainly did not have anything positive.

I said at the time that the program should surpass our projected expectations of it. We left the door open to come back to the Treasurer to secure additional funding to add additional units.

I would be prepared to say in a very positive way that if we hit the 2,600 and have committed all our funding, and we have applications still coming in and being processed, I would think the success of the program itself would justify the additional funding. How much we require will, of course, be determined by the number of applications we have at the time.

In fairness, we have only the next three or four months, because after that you start running into construction problems with winter coming on and so on.

Mr. Epp: The amount of money you are providing over a 15-year period—it is 15 years?

Hon. Mr. Bennett: Yes. Fifteen years interest-free and repaid in the last 10 years, principal only. Ten equal payments.

Mr. Epp: Between 16 and 25, that is when they pay the—

Hon. Mr. Bennett: Between what?

Mr. Epp: Is the last 10 years of the 15-year period when they pay the principal back?

Hon. Mr. Bennett: They pay the principal back in the last 10, do they not?

Mr. Sparling: The last five years.

Mr. Epp: The last five. Okay.

Are you finding that the \$7,000 figure is an adequate amount to achieve what you want to achieve?

Hon. Mr. Bennett: It is certainly getting the results so far.

Mr. Epp: I see Mr. Pitura nodding his head affirmatively.

Hon. Mr. Bennett: Certainly, because at one point you were asking me if we surpassed the limit of applications. If we do, then obviously the \$7,000 is sufficient to entice them to convert to rent.

Mr. McClellan: It tells us in the briefing book that private nonprofits and co-ops are eligible if they do not use National Housing Act section 56.1 assistance. I assume they are able to get—

Hon. Mr. Bennett: That is correct.

Mr. McClellan: Has anybody taken advantage of that yet?

Hon. Mr. Bennett: They like that two per cent money.

Mr. McClellan: There is not very much of it around. I am surprised that—

Hon. Mr. Bennett: Be serious now. You can kick the poor old feds hard, but give them some credit. They did put a fair pile of dough into the pie for the co-ops and private nonprofits. I do not mind attacking them, but I like to give credit where credit is due.

Mr. McClellan: Absolutely.

Mr. Breagh: You are playing kissy-face with the federal government, that is all.

10 p.m.

Hon. Mr. Bennett: Sometimes you catch more with honey than you do with vinegar.

Mr. Chairman: We have 15 minutes left this evening, and we have a couple of speakers. Mr. Breagh wanted to speak on this vote. When we finish up this, then we have vote 2505.

We will not complete whatever number of hours, 15, 16, 17, or whatever it was for this set of estimates by this evening. We would have approximately 40 minutes left over. It is up to the committee.

Mr. Epp: I thought we would come back next week for those 40 minutes.

Mr. Chairman: Thanks very much. I was hoping someone would suggest that we do not come back next week for the 40 minutes. If we can kind of work towards wrapping things up this evening—it is only a suggestion, of course.

Mr. Breagh: Let me show you what a nice guy I am. If you will allow me a little range in the last 10 minutes or so, I would be happy to let you see—

Mr. Chairman: You are going to talk about that Barrie project that was on the screen.

Mr. Breagh: I am going to be so nice I will not even mention Barrie-Vespra, Cadillac Fairview, Fast Eddie Goodman, none of that.

Mr. Epp: Save me about three minutes at the end.

Mr. Breagh: Three minutes. Okay. Could we have some lights on? Could you pay the hydro bill or something?

Hon. Mr. Bennett: I thought you were bright enough.

Mr. Breagh: That is true.

Ah, there we go. Now I can actually see. It is much better than the dark.

Mr. McClellan: You can see the whites of their eyes.

Mr. Breagh: A couple of quickies. I wanted to discuss something I raised last year and which

still aggravates me no end. I mentioned it at the beginning and I want to mention it again now.

It is a combination thing that has to do, in a sense, with the provision of housing, with municipalities, with planning and not planning, with stupid federal programs and stupid provincial programs. Of course, I am talking about the wonderful assisted home ownership program residue that is left all over Ontario by the Canada Mortgage and Housing Corp. In a lesser way, the Ontario Mortgage Corp. is involved in it as well.

At a time when our vacancy rates are nil and under one per cent, we still have municipalities like Sudbury, like Oshawa, sitting around with big vacant buildings that were condominiums at one time and, later, rental projects, because they could not sell when the market became flooded.

We have huge waiting lists in all these municipalities and municipal governments are saying: "We would enter into municipal non-profit stuff, or we would try to provide that, but there is no real encouragement to do that, in financial terms. We certainly cannot afford to build it."

We have just seen a presentation on variations of that. We still have, as I mentioned at the beginning, old 1010 Glen Street in Oshawa, the last, I am told, of the CMHC. Talk about fire sales, that is it. This minister has been aware of that kind of problem. I raised it last year and wrote to him previously, pointing out that this is stupid.

We have municipalities that need socially assisted housing all over Ontario. In those same municipalities there are apartment units—condominiums—sitting idle. The locks are turned. It is in public ownership through CMHC. The Ontario Mortgage Corp. has a few and we have not been able to loosen them up.

When I talked to the CMHC people about this, they said, "We want to get our money out of this." In many respects, there is some logic behind that argument. The difficulty I have is that when I found out how CMHC gets rid of these things, it is totally bananas. It is what they call a "preferred tendering system," which means some of their friends get to tender on these projects. No one else knows the projects are for sale.

When I see the price of a unit—last year I think the going rate for one of these condominium units in Oshawa was \$17,000—it is a little hard for me to understand why if CMHC can sell these condominiums to a private developer for \$17,000, they could not make them available to your ministry, to a housing authority, to a

municipality or to a private nonprofit group. Even though there are some conversion costs, some clean-up costs, some renovation costs and all of that, you could double the price of a unit and would still have something that would be tough to match building from the ground up. Nobody has been able to do that.

Your first response was to say that for a variety of reasons you cannot or will not do that. We have all kinds of fund-raising groups in my community, and many other communities had them as well, trying to build accommodation for seniors and for handicapped kids. We had municipalities backed up with waiting lists for socially assisted housing, and we still had in public ownership, paid for by public tax dollars, condominium projects sitting idle, vacant.

Hon. Mr. Bennett: Not completely.

Mr. Breaugh: Some of them completely. In my community some of them were completely vacant. Most of them had a residue of condominium owners left in them. Most of them had some kind of technical-legal problems to sort out, but the fact is that a year ago they were selling them off for \$17,000 a unit.

Concerning this latest sale in Oshawa—and this is the other cute part of it—I will find out what the per-unit cost of that sale was at the end of the month when some real estate agent will call me up and tell me what went through on the cards. Aside from that there is not much way to tell before the sale of the unit exactly what the going price will be for condominium units owned by the federal government in Oshawa.

You have known about this for some period of time. I am a bit of a fan in looking at projects such as the ones we just saw as being a little innovative, a little different, attempting to use a building that is there and to convert it from one use to another to meet a current need, and at this point in time that is housing.

I am perplexed. If I lived in Sudbury I would be hard pressed to restrain myself from saying, "There is a building owned by the federal government over there that is empty while we have our people who paid for that building with no housing."

How do you reconcile that lunacy? I do not think there is any way to do it. In fact, in Sudbury I think there was a couple last fall who decided to enter the premises. This is not all legal; it is bad and not according to form and all that, but it sure as hell is understandable. I would like to know why we as a provincial government have not attempted at least to address ourselves to the fact that we do have empty units that are suitable for

habitation right now, or that could be converted, and we have ignored all of that.

If you went to my community or to Sudbury you would be able to have a bit of an impact on an area that has long waiting lists and very little socially assisted housing. You could go relatively quickly into those communities and make programs designed to resolve this lunacy. Nobody did it. Why not?

Hon. Mr. Bennett: First of all, a year ago I answered the question about McLaughlin Square, which we owned and which was the one that I think was bugging you at the time. You know very well that we rented the units, and when we went to sell them we went to the tenants and offered them the first opportunity of refusal.

We sat and negotiated with some of them to try to find a workable solution to let them become owners. In fairness to Ontario Land Corp. I thought it had some of the best staff in the ministry looking after that particular project, to try to get it into a position where it was acceptable to the then tenants and future owners.

With respect to taking a condominium and trying to turn it into a rental unit or to put it to some other use, you also have to have some concern for the people who have already purchased units within the condominium. Their net equity factor, their investment, deserves some consideration. If they bought it under certain conditions, those conditions should continue to prevail unless you are prepared, either as the government or in the private sector, to go and buy them out and then change the building into some other use that was not the original intention under the charter and under the incorporation.

That is why Canada Mortgage and Housing Corp. told you, me and others it would not do certain things in certain condominiums it had; it felt an obligation to those people who had already purchased.

Indeed, its problem comes right back to landlord and tenant. If you get into a rental situation and you wish to put someone out in order to allow someone else to move in, there is another argument. You know what the arguments are; the owner finds difficulty in trying to put the tenant out.

10:10 p.m.

To come to the \$17,000, \$18,000, \$19,000 a unit, I wrote to you, you will recall, Mr. Breaugh, after having gone through the whole thing with the Canada Mortgage and Housing Corp. You are right. Just about double the capital price the individual paid was put back into refurbishing, renovating and improving the

building, so they had a capitalized asset of about \$34,000 a unit.

Let me make a little comparison for a moment, granting that \$34,000 is still a fair piece of change to be putting into an apartment: when you look at the Cadillac flip, which was an average of \$25,000 a unit, we could have walked in as a provincial government and said to Cadillac we would pay it an average of \$25,000 and take over the 11,000 or 12,000 units. We did not; neither should we.

The point I am trying to make is that individual property owners in Oshawa still got themselves into a very substantial capital investment. The CMHC has a responsibility under the program it is established at the federal level and I do not have to come here and defend it. That is its responsibility. It was established as a mortgage insurance company, not to get into renting and so on.

If you are aware of the trouble the insurance fund is in at this very moment, it has a real obligation to try to move these things out into the private market and sell them. The insurance fund is in a deplorable state—not because of Ontario's problems, I will tell you; more because of the western problems that have developed in the last few years. It is easy to be critical and say the government should rent units out, but that is not CMHC's mandate in life.

We have asked to rent them, and for the same reasons they have refused to get into it on a rent supplement basis. Mind you, when we asked to rent them, I will not deny that we did not ask to rent them out of our current allocation. We said if we rented them we wanted them as a special allocation since they are the CHMC's units anyway. Basically, you are asking if the units belong to them why should you penalize yourself by using the allocations used for municipal nonprofits or for rent supplements and other units?

I cannot rationalize all these things, except to say CMHC looks at the mandate it has and tries to fulfil it. Then we come to Sudbury, where the municipality could have gone into a nonprofit corporation and would not go. Your own community will not go into a nonprofit corporation, which absolutely confuses me.

Mr. Breagh: There are too many Tories on the council.

Hon. Mr. Bennett: Hell's bells, there are Tories on all kinds of councils around Ontario because of the good judgement of the voters in those municipalities. The fact is they still move in and establish municipal nonprofit corpora-

tions. It really confuses me, because the risk factor for a municipality is zilch. There is not a dime's risk from day one to day 50, or whatever day they finish paying off the building. Everything is underwritten, either by the provincial government or by the federal government.

I can never understand why municipalities resist it. At the conclusion of the period, whether that happens to be 25 or 35 years, it is entirely an asset of the municipal nonprofit corporation, which is usually a wholly owned operation of the council, of the people of the community. They do not move in that direction. When you have cities like Ottawa, Toronto, Mississauga, and Thunder Bay doing it, I have trouble trying to get it through my thinking pattern why Oshawa, with municipal officials who know the value of owning housing, does not become involved.

I am sure Sudbury has some appreciation of what it is to own housing, but it has never moved. These are two municipalities where they could have the satisfaction of serving their own communities. I think that could be a real asset. I am not here to give a sales pitch, but it is the one way we are able to supply some of the accommodation that is needed in those communities. I have to tell you, Mr. Breagh, I have no intention of going in and building in Sudbury or in Oshawa.

Mr. Breagh: I am not asking you to go in.

Hon. Mr. Bennett: I would not do it, and I have not been doing it in places like Ottawa, Toronto and Thunder Bay. Those communities have had the initiative to do it, and I do not intend to start suggesting to the government that, because a municipality will not move, by default I should go in and do it. Speaking as the Minister of Municipal Affairs and Housing through the Ontario Housing Corp., I do not intend to. I hope you will be able to persuade Mr. Pilkey and the rest of his right-wingers, left-wingers and centre-of-the-road politicians to see the wisdom of getting involved.

Mr. Breagh: I do not want to rise to the defence of all those municipalities, but I think there is a problem and I think you are aware they are worried, not just by short-term financial considerations but by long-term ones.

I doubt that you would admit to it, but I think you really ought to in your heart of hearts. After the pitch you made at the Association of Municipalities of Ontario last year—and I know you have visited several of these municipalities since—there must be some reason some of these municipalities are not exactly all hot to trot about your program.

Hon. Mr. Bennett: First, it is not my program; it is a federal program in which we participate. It was the agreement arrived at by the federal and provincial governments.

Mr. Breagh: It is your program if it works well; it is federal if it does not.

Hon. Mr. Bennett: The program is working well. I said at the opening of my estimates that I guess the one downside of it is that the cost to the Canadian taxpayers was far beyond anything the federal government thought it was getting itself into back in 1978. It was far beyond what they had ever projected.

I do not see how the long-term risk, the short-term risk and the medium-term risk comes to the municipalities. They have a private mortgage. They have a 35-year commitment by the government of Canada, supported by the government of Ontario, or if it is some other province, by that provincial authority.

With that money, the province has the obligation, as time marches on, to be an equal partner with the federal government in financing those units. Not initially—I have said before that it was the federal government's wish to be first in and first up front, but we have a long-term obligation to equal any of the costs of running that building with the federal government.

Mr. Breagh: No matter how you rationalize this, there still is something wrong and there is still an element missing. Until we find out what that element is, this thing is not going to fly. You should know that.

Hon. Mr. Bennett: It is flying so well that I cannot get a big enough allocation. When places like Ottawa and Toronto, and small places like Russell, Casselman, Williamsburg and Kenora and various other communities across this province, big and small—not all their people are complete neophytes in the world of finance, they have good finance commissioners. They get people who understand the mortgage world and the rental world. They understand the cost of operation. They are not completely isolated from the real world.

Those communities get into it. They get into it with a knowledge that—you are sure not going to tell me that Hazel McCallion would buy something she did not think had an advantage for her community.

The program has worked well there. It was a New Democrat who spearheaded the program and thought it was a good thing. There are a few right-wingers on that council as well, let me tell you, such as Harold Kennedy and a couple of

others. I think he has some relationship to the provincial member from that jurisdiction.

Mr. Breagh: That is about as rational as the argument that a cabinet minister can run a chauffeur-driven limousine for no cost.

Hon. Mr. Bennett: Mr. Rae runs his government limousine with a chauffeur for no cost.

Mr. Breagh: I still think you ought to give him a chauffeur-driven Lada to hit the road with.

Hon. Mr. Bennett: If he drove a Lada, the rest of your friends in the United Auto Workers would be after him to string him up.

Mr. Epp: This concerns the first vote as a general question. Assessment is largely municipal and is under the Ministry of Revenue. Have you ever considered bringing that into Municipal Affairs and Housing? It is a logical extension and I know Mr. Fleming would love to have it.

Mr. Breagh: He would be a humdinger at that one.

Mr. Epp: It is such a popular thing.

Mr. Breagh: If there was anything that would cause a revolution in Ontario, it would be to let you review assessment.

Mr. Epp: I can see you are not standing at the door of the Premier (Mr. Davis) trying to get the responsibility for that.

Hon. Mr. Bennett: I did not see any lineup at the door either.

Mr. Epp: That is probably because he is down in Detroit watching the ball game.

10:20 p.m.

Hon. Mr. Bennett: That is when Cliff Pilkey brings in his warriors. I said at the opening of the estimates I guess AMO is not quite sure whether it should or should not be in the Ministry of Municipal Affairs and Housing. One of the areas that I have once or twice broached with AMO is whether we should not seriously be looking at putting the whole assessment operation back at the local level.

I said earlier that, in fair and honest terms, assessment is an asset of the municipality, it is not an asset of the provincial government. It provides the whole basis for the municipal government to secure operating revenue.

I can think of very few other things that are so obviously a municipal responsibility and on which we thrust the operation back to a provincial or federal authority—in this case provincial. In my discussions there have been days when they would like to have it back and there are other days when there is confusion and

chaos and turmoil and they think maybe it would not be so bad to leave it with us.

Mr. Epp: One of their concerns when you took it over—when was it, 1969?

Hon. Mr. Bennett: Yes, 1969 or 1970.

Mr. Epp: One of their concerns was that you also assume the administrative costs.

Hon. Mr. Bennett: One hundred per cent. Do you recall that?

Mr. Epp: Yes, I recall it.

Hon. Mr. Bennett: It was like finding gold for the municipalities. The province took over all the personnel, all the pension requirements, and left vacant space in municipal town halls and city halls. The province left them with all their typewriters and desks, left them with everything, and picked up all of what could be termed cost factors. It said to the municipalities, "You do not owe us a thing."

The municipalities thought they had hit gold at that time. Municipalities were having trouble with budgets, and all of a sudden Darcy McKeough gave them the greatest opportunity of looking great in an election year that one could possibly want.

Mr. Epp: At first you thought you were doing something right, but when all the municipalities agreed with it so readily, all of a sudden you thought you had done something wrong.

Hon. Mr. Bennett: The main reason the municipalities agreed to the change was because they were getting out of the cost of doing it. If we were to move back into municipal assessment, as I have said so many times in my estimates this year and before, we would certainly have to cushion that financial obligation on the municipality.

Mr. Epp: Not only that, but you would still have to carry on.

Hon. Mr. Bennett: You would have to maintain some control.

Mr. Epp:—monitoring.

Hon. Mr. Bennett: Yes. I think we have accomplished a fair amount since the province took over the field. We have at least standardized the thing and also picked up most of the units that should be assessed in communities. You and I know there were a few around that did not get on the assessment rolls.

Mr. Epp: That is for sure. The other thing was that the monitors, the guidelines, etc., were not uniformly applied across the province. That is one reason you took it over, because it was so different in different parts of the province.

Hon. Mr. Bennett: That is right. If you get a section 63 then every municipality can standardize. I think it is even more important to get a section 63 on a metropolitan or regional basis. Then you could certainly standardize, even to a greater degree than it is now. That happens to be a problem for tomorrow, I guess.

Mr. Epp: You are not going to announce it tomorrow?

Hon. Mr. Bennett: I am not in charge of assessment.

Mr. Epp: I did not ask you.

Hon. Mr. Bennett: I would not think we would be announcing that tomorrow; maybe a year from tomorrow.

Mr. Epp: Maybe the day after.

Mr. Chairman: Are there any further questions on vote 2504?

Vote 2504 agreed to.

Vote 2505 agreed to.

Mr. Chairman: Shall these estimates be referred to the House?

Agreed.

Mr. Chairman: That completes the consideration of the estimates of the Ministry of Municipal Affairs and Housing.

Hon. Mr. Bennett: May I just express my thanks to committee members for their co-operation in allowing us to make the slide presentation. I hope the opportunity we have had to present the slides and give a little more ministry background on some of the explicit programs has been of value to the members.

I would also like to compliment the staff, both male and female, for their presence over the last five or six sessions, and in having taken an active part in making the presentations to the members of this committee and to the members of the Legislature. I think the job they did tonight and in past nights speaks extremely well of their competence and capability in helping to run a ministry which I think is a rather efficient and effective ministry. At times I get a bit of a swelled chest when I see some of the letters coming in from—

Mr. Breaugh: I do not think it is your chest that is swelled.

Hon. Mr. Bennett: And I do not wear a green stetson, so I do not have that problem.

Mr. Breaugh: You are close, but you missed by about a foot.

Hon. Mr. Bennett: Up or down? Anyway, I just wanted to say to all my staff that I appreciate

their time and efforts here. I am sure the members appreciate not only what you were able to do for them tonight, but also on previous occasions throughout the last number of years. Thank you for being here.

Mr. Chairman: I, too, would like to echo those remarks on behalf of the committee. In my opinion anyway, your estimates are some of the best ones—

Mr. Breagh: Much better than Alan Pope's.

Mr. Chairman: —and some of the easiest ones to conduct with the presentations that we hear. Yes, we did go through one set of estimates a bit earlier that we had a little more difficulty with. With these presentations, it was very easy for the members to understand and to participate. Thank you very much.

I hear some bells ringing. So thank you, Minister, and your staff.

The committee adjourned at 10:27 p.m.

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Farrow, G. M., Assistant Deputy Minister, Community Planning

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No. R-20

Hansard

Official Report of Debates

Legislative Assembly of Ontario

Standing Committee on Resources Development
Estimates, Ministry of the Environment

Fourth Session, 32nd Parliament
Wednesday, October 10, 1984

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON RESOURCES DEVELOPMENT

Wednesday, October 10, 1984

The committee met at 10:12 a.m. in room 228.

ESTIMATES, MINISTRY OF THE ENVIRONMENT

Mr. Chairman: This morning we are going to begin to deal with the estimates of the Ministry of the Environment, vote 2201. I think probably the normal procedure is that the minister will go through his brief remarks, critics can make a few remarks after that and then we will swing into the various items within vote 2201. With those brief introductory remarks, I would like to call on the Minister of the Environment.

Hon. Mr. Brandt: Mr. Chairman and members of the committee, I am pleased to appear before the committee as it considers my ministry's estimates for 1984-85. This session gives me an opportunity to report on my first full year as minister. It is, if you will, my first formal report on what we in the ministry have been doing and where we are heading.

Let me begin by saying that I attach the highest priority to drinking water safety, as does the staff in my ministry. I have stated publicly on many occasions that Ontario water supplies are of top quality. Comparison tests have proved that Metro Toronto's drinking water is purer than the bottled water sold here.

I might add in connection with those particular tests that the samplings were done not by my ministry but by outside services that were available through Metro Toronto, and ultimately the results of those tests were released publicly.

Nevertheless, we cannot afford to be complacent. There is, I recognize, public concern about the presence of trace elements in drinking water. To address these concerns my ministry has undertaken a number of studies on the effectiveness of alternative water treatment processes; in other words, the state of the art as it is unfolding now rather quickly in the field of science. These include the use of ozone instead of chlorine to eliminate bacterial contamination, the use of activated carbon to remove trace organics and ways of reducing the level of chemical compounds created by chlorine treatment.

This year my ministry has commissioned a \$1-million study. This amount of money will be spent over three years at the Niagara Falls water

treatment plant. The pilot plant study compares the efficiency of conventional water treatment processes with that of granular activated carbon in the removal of specific trace organics.

Protection of the Niagara River continues to be a major priority of my ministry. Ontario is deeply concerned over the threat to the river posed by numerous disused chemical landfills on the New York state side of the border.

We have conducted studies and submitted recommendations to the United States Environmental Protection Agency respecting a number of different sites including the Love Canal, the S area, the so-called alphabet sites, 102nd Street and Hyde Park. As I mentioned, all those sites are in the state of New York and all are clustered very close to the Niagara River.

I might add that in virtually every case they are on soil known as Rochester shale, which is a very sensitive type of soil condition. This causes the people of my ministry and other environmentalists a great deal of concern because of the crevices and the potential for leachate which exists in those sites.

In the case of S area, the ministry was granted intervenor status in recognition of its responsibility to represent and protect the interests of the citizens of the province. Ontario argued for the removal and destruction of the buried chemicals as soon as technology permits.

As additional sites are examined, further studies will be made and the results of these will be submitted to the US Environmental Protection Agency as well as to Environment Canada and to New York state. We are seeking to participate in the actual formation of the remedial plans, not just the opportunity to comment on them. In other words, we want full and total involvement with respect to the clean-up actions that will be proposed for those sites.

The Niagara River Improvement Team has established a good rapport with its counterparts on the American side and continues to have a real influence on the quality of approved US discharges to the river.

Given the success of the improvement team approach to the Niagara River, I decided in May 1984 to apply the same approach to additional waters in the Great Lakes basin, namely, with the specific intent of further protection for the St.

Clair River, the Detroit and St. Marys rivers and Lake St. Clair.

While improvement to these water bodies has been significant and measureable, more can and will be done. The three-member staff team operating out of my ministry's district office in Sarnia is co-ordinating our many environmental protection efforts related to the particular waters that I just identified.

The team will also build on the good working relationships that already exist between the Ministry of the Environment of Ontario, the US Environmental Protection Agency, the International Joint Commission and the Michigan Department of Natural Resources. Through the co-ordinated efforts of these four agencies, we will be able to accelerate the rate of improvement in these water bodies.

Our commitment to the protection of the Great Lakes has led to similar partnerships with the Great Lakes states. I was pleased to join my environmental colleagues from the states of Illinois, Michigan, Minnesota, New York, Ohio and Wisconsin on Mackinac Island in May 1984. That meeting, by the way, took place immediately following the attendance some of you were involved with at Springfield, Illinois, as you will recall. The meeting I attended at Mackinac resulted in resolutions for a co-ordinated approach to the protection of the Great Lakes.

Together, we realized we have to do more to protect the most significant fresh water resource in the world. Already, there are good signs of the restoration of the Great Lakes. A good barometer is the fisheries. You will recall the laments of a decade ago that Lake Erie was either dead or, at the very least, its health was under severe and critical stress. That is not so any more.

10:20 a.m.

In Lake Erie alone, from which commercial fishermen catch more than 75 per cent of all Ontario fresh water fish, the catch in 1983—and this is an astounding increase—was 45.5 million pounds. That is directly attributable to the reduction in phosphate loadings that are discharged from municipal treatment plants, industrial sources and to a certain extent, I might add, from agricultural sources.

As a result of the containment of phosphate loadings that are being discharged into the Great Lakes where they were impacting very significantly on the sensitive Lake Erie body of water, we have reversed the downward trend of that lake and it has been brought back rather substantially.

We have continued the practice of publishing our Guide to Eating Ontario Sport Fish. I am

pleased to advise the members of the committee that we now have fewer restrictions on eating fish because our testing has shown a general decline in the contaminants absorbed by fish.

I should also mention the large-scale upgrading of the sewage treatment facilities in our province. Communal sewage systems have been provided for 94 per cent of Ontario's urban population. By way of comparison, in Quebec only six per cent of the urban population is served by communal sewage systems, according to the latest federal statistics.

I recognize that within the short term, as a result of commitments made by Environment Quebec and the very heavy contribution and substantial numbers of dollars coming from the federal government, the Quebec figure will increase very substantially in the near term. But at best it will still be only about one third of what Ontario's numbers are today even upon completion of some of the rather substantial projects they have under way and that are nearing completion at this time.

Since 1956, some \$6 billion has been invested in Ontario in environmental infrastructure such as water and sewage treatment plants and sewers and watermains. The Ontario government's contribution has been \$2 billion. To give some indication of how wise that investment was at the time it was made, in today's dollars that \$6 billion would translate into about five times that amount, or some \$30 billion. Again, that is a question of simply tracking inflation over that number of years. To replace the plant we currently have in place in Ontario would cost approximately that amount of money.

For example, my ministry has expended more than \$17 million over the past five years in the Niagara region alone. We have done that specifically to offset any criticism that may come from the American side that we are not doing enough in the Niagara River area. We have shown the way by the commitment we have made, by investing that level of funding—some \$17 million—to indicate that we are serious about cleaning up the Niagara River and any discharges that are coming from the Canadian side.

With support from my ministry, a new water treatment plant was opened at Port Colborne this year. It is one of the best equipped treatment plants in the province.

We have responded to the concern of many citizens of Niagara-on-the-Lake by providing \$3 million for a pipeline to draw water from the St. Catharines municipal supply.

My first public duty after becoming minister was to cut the ribbon at the official opening of the newly expanded sewage treatment plant in Welland. That treatment plant will afford Welland the opportunity, we hope, of encouraging further industrial and residential growth because the capacity of the plant has been increased very substantially. In addition, the effluent being discharged from the plant is of a much higher quality than was the case previously.

We have committed \$3.5 million to upgrade the Niagara Falls sewage treatment works to convert the existing primary plant into one that will provide full secondary biological treatment. Again, the discharge quality will be improved substantially.

Currently, the ministry operates some 380 communal water and sewage treatment plants across the province. We are proud to provide a continued high level of service which places us at the forefront of environmental protection.

My ministry is also continuing its program of supporting the repair of faulty concrete water tanks owned by small municipalities across the province. Some 20 municipalities will be assisted at a total cost of \$3 million. I might add that this is one of the most ambitious grant programs ever given by my ministry—and I say with some degree of thanks and recognition it was a program that was accepted by all parties when it was announced—in that the level of grants went up to 90 per cent for municipalities that were in a financial situation where they required that level of additional funding. In fact, the lowest grant allowed under that program was 75 per cent, and the extra 15 per cent was given to specific municipalities that indicated they were having some financial problems.

Many members of the committee have benefited, since some of their municipalities were granted moneys to improve water tanks. The effect of all this is that the condition of water tanks is at a very high level in Ontario and will get better when some of these programs are completed.

Prior to 1983, the Ontario Water Resources Act required the ministry to review and adjust water and sewerage rates every five years. Occasionally, adjustments were so large as to place a heavy financial burden on small municipalities. That was probably more true during the mid-1970s and early 1980s, when we had a very heavy inflationary period.

Amendments, which received the support of members from all parties, now allow the rates to be reviewed annually and adjustments can be

expected to be relatively smaller. The catch-up figure that might impact on a municipality taking some five years to pay, as an example, would take place over a one-year adjustment period rather than allowing the total time frame to accumulate and result in a substantial percentile increase.

Every member of this committee is well aware of the rising financial demands placed on municipalities during the past five years. I believe the annual review and adjustment of rates charged to municipalities will allow for the continual strengthening of the municipal sector and its co-operative relationship with the ministry.

We also have faith that the new government in Ottawa will see fit to continue the co-operative arrangements for funding of sewage treatment projects in the communities in the Great Lakes basin. I intend to have discussions with my counterpart, Suzanne Blais-Grenier, who is the federal Minister of the Environment, with respect to the continuation of this program.

Under the Canada-Ontario agreement, the federal government has provided a grant of \$65 million over three years through the year 1984-85 for those projects. This program is scheduled to conclude in 1985, and I will be urging that it be continued in partnership with the federal government.

Similarly, I am hopeful that the new government will continue the approach to economic recovery under the special recovery capital projects program.

Projects have been selected for the city of Timmins and for the regional municipalities of Sudbury and Niagara. Promised federal contributions over the three years of the program, to be matched by Ontario funds, total \$9.5 million.

10:30 a.m.

Let me move on to another subject. Since acid rain is a provincial, national and, I am sure you are aware, international problem, we have ample reason to believe that the new federal government will continue with the spirit reached at the historic Fredericton Accord in 1983.

Since the time of the Fredericton Accord, I have been actively involved with my provincial and federal colleagues to continue a workable, affordable abatement strategy. As most of you know, I co-chair the provincial-federal committee on acid rain abatement.

We know of the alarming impact of acid rain on our northern lakes, particularly those lakes in areas with no ability to buffer acidic effects. Evidence is now accumulating that acid rain can

contribute very substantially to the slowing down of tree growth, which is a worrisome finding for our forest industries.

I need not remind you of some of the findings in other countries of the world. In West Germany, for example, the problems in their forests related to acid rain increased more than fourfold in one year, from some six per cent to almost 35 per cent. That is the kind of devastating impact these acidic conditions can cause in our forest industry in one year.

We are watching our forest areas very carefully here. We know that acid rain or sulphur dioxide fallout can contribute very substantially to the deterioration of our forest areas.

Our position on acid rain has been further strengthened by the March 6, 1984, agreement reached by Canada and the provinces, that Canada's sulphur dioxide emissions will be reduced by 50 per cent from 1980 levels over the period of the next decade, or by 1994. This will establish a ceiling, or cap if you will, of about 2.3 million tonnes of SO₂, or sulphur dioxide, per year east of the Manitoba-Saskatchewan border. That agreement covers all seven of the provinces that are east of that border, from Manitoba through to the Atlantic provinces.

We in Ontario have committed ourselves to achieving the reductions necessary to meet the overall Canadian 50 per cent reduction goal. Along with the federal and other provincial participants, we are working towards the apportionment of SO₂ abatement and its associated costs.

As you know, the ministry-developed screening model is the basis for computer procedures employed to guide the decisions made by authorities in Canada. Our studies indicate that at least half the acid rain deposition on Ontario is caused by emissions south of the border, mainly from the coal-burning power plants in the Ohio Valley.

Thus, the decision for unilateral Canadian action will not by itself solve our acid rain problem. If matched by comparable US action, however, we will be able to reach the scientific parameter of 20 kilograms per hectare per year, or 18 pounds per acre per year, if you want the earlier equation. Reduction to that level will protect all but the most sensitive areas of Ontario.

I might identify some of those sensitive areas as being in the immediate vicinity of Haliburton-Muskoka, where there are extremely thin soil conditions and in some instances lakes that do not have a substantive buffering capacity; that is, either there is not lime content or the flushing-out

effect of the lake is not substantial enough to move the water rapidly. These are the areas that seem to reach a stress level more quickly than other areas.

There are areas of southwestern Ontario and other parts of the province that can withstand substantially higher levels of sulphur dioxide, or acid rain fallout, without negative effects because the natural lime content in the soil neutralizes the sulphur dioxide and therefore reduces the level of the problem associated with that.

I hope that Canada's and Ontario's sign of sincerity will result in similar action being taken eventually by American jurisdictions. I think we have to recognize that it is an American problem too. In that respect, we are seeing what I believe are encouraging signs of rising concern, particularly in the northeastern quadrant of the United States. In that area, they are suffering from some of the same conditions we have now recognized here in Ontario. We have supported federal efforts to seek an agreement between the United States and Canada and will continue to support such efforts with vigour.

In March, I travelled to Washington to put forward Ontario's and Canada's position on acid rain. I met with members of Congress and representatives of environmental groups and industries concerned with the problem. I told them of the decision taken by the provinces and the federal government to go it alone in this fight; that is, this decision to reduce sulphur dioxide emissions by 50 per cent between now and 1994. I received what I thought was a genuinely sympathetic hearing. Most of the people I spoke to seemed to be impressed by Canada's determination and by our resolve to do something about this problem.

In May of this year, I led an Ontario delegation to Springfield, Illinois, to exchange information on acid rain with representatives of midwestern states. My colleagues and I, including all parties represented in the Legislature and the two Environment critics, the member for Huron-Bruce (Mr. Elston) and the member for Hamilton Mountain (Mr. Charlton), had discussions with people from Illinois, Indiana, Michigan, Minnesota, Missouri, Ohio and Wisconsin. I think it was a useful exercise. Once more the Ontario and Canadian message was conveyed to an influential group of American legislators.

I hope we made a few new friends and I hope we made some converts. We need all the help we can get from the American side of the continent if

we are to control this problem in a satisfactory manner.

The position of the United States government in Washington is that more research is needed to establish a cause-effect relationship. More than research is needed in this area, in my view.

Since 1980, Ontario has spent more than \$31 million on the acid rain problem and we are now averaging something on the order of \$7 million to \$8 million annually. We continue with that commitment to trying to find out as much as we can about the roots of this problem.

Despite the reluctance of Washington to take action, there are encouraging signs of trans-boundary co-operation. We have a memorandum of understanding with the New York State Department of Environmental Conservation. I have also signed a memorandum with the state of Minnesota and I expect to sign agreements with the other states as well. In fact, staff discussions are going on at this time in connection with other statements of this type that will bring about a better level of understanding, if not on the federal level with the Environmental Protection Agency in the United States then certainly at the state level.

I trust, and I am optimistic, that the cumulative weight of the opinion of the states that we can bring on side along with the provinces in Canada and the federal government will go a long way towards convincing the EPA and the President of the United States, through the EPA and Mr. Ruckelshaus, of the urgency of this problem and of the need for immediate action.

As members are aware, my ministry is extending its air quality monitoring. This really is quite an exciting program because it is going to be the most advanced with respect to state-of-the-art technology that is available anywhere, to the best of my knowledge, in North America.

The current air pollution index is related to the concentration of two pollutants, essentially sulphur dioxide and suspended particulates. Those are measured in the air around seven Ontario cities.

We are developing a new air quality index that will be related to six contaminants and we will just about triple the number of communities involved in the program to 20. So we are not only going to expand the number of things we are actually sampling and testing for but we are also going to expand very substantially the coverage that will be available right across the province to 20 municipalities. The ministry's new telemetry equipment is expected to cost about \$1.7 million

and we are in the process now of arranging for the purchase of that equipment.

I might remind the members that air quality throughout all parts of Ontario, according to the most current sampling we have done, has shown significant improvement. Where the air pollution index has been monitored, the results have shown that average sulphur dioxide concentrations have been reduced by 68 per cent in the period 1972 to 1982. Total suspended particulate matter decreased by 48 per cent and carbon monoxide by 68 per cent during the same period.

This year I visited a number of areas to talk to citizens about their concerns with the environment in Ontario. As an example, on my visit to the Junction triangle area of west Toronto I heard people on the street, as well as citizens' groups and school children, describe the air pollution problems they face. Officials of local industries and health agencies have also made me aware of the efforts they are making to address some of those difficulties.

I made several commitments to the local community in the Junction triangle area during and immediately after the course of my visit to that part of Toronto. I directed my ministry to undertake additional air monitoring. I have also committed my ministry to co-operate fully with the local medical officer of health in any follow-up of the health study completed by Dr. Walter Spitzer. The city of Toronto plans a large-scale health study next April as well.

10:40 a.m.

In the Kitchener-Waterloo area, a control order was placed on the Breslube oil refinery to deal with an air emission problem. I visited that site personally and made a promise to local citizens that my ministry will continue to keep this problem under very close surveillance.

The Uniroyal plant at Elmira has been placed under a control order as of last April. I have committed my ministry to continue its close working relationship with the Elmira technical steering committee.

An ongoing problem in waste disposal is that of polychlorinated biphenyls, or PCBs. The majority of PCBs are located in 19 communities scattered right across Ontario.

My ministry is continuing to uphold our government's commitment to the destruction of PCBs that are now in storage in Ontario and of PCBs that are currently being used and will not come out of service in the next few years. Those are safely in use, I might add. The problem related to the environment in connection with PCBs is when they are taken out of use and are in

storage. At present, about 1.5 million litres are in storage and probably five or six million litres are in use, principally with Ontario Hydro, for example, in transformers.

As you know, in trying to locate permanent storage or destruction facilities, we have encountered the NIMBY syndrome: "not in my back yard." As a result, the ministry favours mobile PCB destruction facilities. We have developed proposals for their regulation which are being examined by a commission under the Public Inquiries Act.

Responses to the proposals will be formally presented at public hearings across the province, beginning in Toronto on November 5. I hope the public discussion will result in effective control mechanisms and general acceptance of the mobile destruction technique.

I might add that whatever we proceed with in connection with mobile destruction facilities for PCBs will be done in the safest possible manner and under tight regulatory conditions that will give every municipality the assurance it requires that PCBs can be disposed of in a safe, effective and economically feasible manner.

An extensive public consultation program has been implemented by my ministry following the release in June 1983 of the original Blueprint for Waste Management document. Since then, ministry staff has been busy reviewing the plan with a wide range of people and groups active in the waste management field.

After extensive analysis of the information and suggestions received and of technical issues, the ministry is now ready to go ahead with policies and programs that will provide a comprehensive and effective waste management system for Ontario. I intend to bring forward some specific initiatives this fall.

The ministry is continuing the waste management improvement program, which was initiated in 1977. This year alone we have distributed \$400,000 among 116 municipalities to help improve or close their waste disposal sites. It is a very popular program with municipalities because it affords them the opportunity to close out these sites, not only in a safe manner but also in a manner in which the site is left in a relatively attractive condition so we can reduce the amount of objection we get from the public when we attempt to develop a new site in some other area.

Quite obviously, if we do not look after the sites we are closing out now and our old sites are less than aesthetically pleasing, the problem is going to be accelerated very rapidly in connec-

tion with any attempt to find new disposal sites at some point in the future.

The Ontario Waste Management Corp., or OWMC, has narrowed its search for a liquid industrial waste site to eight candidate sites in southwestern Ontario. The sites, as most of you are aware, are in the area between Toronto and Niagara Falls, generally identified as the Golden Horseshoe.

The corporation, which operates at arm's length from my ministry, is continuing its investigation of the eight sites and expects to reduce these to one or two candidate sites by early 1985.

The OWMC has already met with about 310 organizations as part of its overall process of consultations with citizens. I want to assure the members who are potentially affected individuals and also groups and municipalities that they will continue to be heard at this narrowing-down stage in the selection process. We are not shortcutting the opportunity for the public to speak to the location or the siting of this particular facility.

I should also mention that requests have reached my office with respect to the attendance of Dr. Donald Chant at these committee hearings. I will make every attempt to have Dr. Chant here so that he can perhaps address some of the specific questions the members of the committee might have with respect to the Ontario Waste Management Corp.

Mr. Chairman: If that is the case, I would assume we should know in advance so that any members who wish to address particular concerns to Dr. Chant could be so notified.

Hon. Mr. Brandt: Certainly. We will co-ordinate the time with you as well as with the critics, if that is acceptable.

The hearing panel on industrial waste management will formally review the corporation's final proposals. That hearing panel has now been chosen and is in place. The hearing process includes provision for funding participants, or if you would like to use another way of identifying that particular phrase, funding interveners who are going to be involved in this issue.

Kitchener, Burlington and Oakville are to be commended for their programs of recycling household wastes. More than 80 per cent of the residents in those communities participate in the separation of their wastes. Kitchener alone recycles some 5,000 tonnes. Altogether, about 30,000 tonnes of waste are being diverted by municipalities through programs supported by the ministry. By diverted, I mean away from very

scarce landfill sites that are normally used for the disposal of garbage or municipal waste. Since its inception in 1981, the ministry's source separation program has provided \$1.5 million to recyclers.

One of the major components of household garbage is soft drink containers. My ministry has been reviewing the soft drink container regulations and meeting with the producers of the containers, bottlers, environmentalists and municipalities in an attempt to come to grips with this particularly difficult and complex issue. It is a problem issue in that we have bottles versus cans, we have steel cans versus aluminum cans, and we have centralization versus decentralization of distribution. We have a myriad of problems related to the whole issue of bottles and cans.

I want to inform members of the committee that I have prepared proposals that are now before cabinet. While I cannot give the specifics of our proposals because, in addition to environmental dimensions, they have economic dimensions related to this problem, I can assure members that every effort is being made to balance the interests of all parts of the problem and the interests of all citizens who are concerned about this issue.

Another of the widely varied challenges faced by my ministry's very competent staff is the termite problem. Since 1975, more than 3,000 residential properties in 27 municipalities have been treated for termites. At the end of last year we added \$500,000 in upfront, one-time grants to bring our support of termite control programs to \$1 million in that year. I might add that, thankfully, my own community in Sarnia does not suffer from termites and most communities in Ontario do not suffer from the termite problem, but it is an absolutely critical problem in those areas where they do have infestation by termites.

10:50 a.m.

We have a targeted program that is specifically geared to putting the money where the problem is. The problem is very much centralized in Toronto, but we have had other pockets of termite problems in various parts of Ontario that we suspect were caused by infested lumber being brought in from the southern United States in some instances, or the infestation was brought in through some carrier and then little pockets of problems, resulting in the expansion of the termite problem, have occurred in many cities.

What we have done with this program is increase our funding literally every year since the inception of this program. The highest number of

dollars that we have allocated to date in an attempt to get ahead of this problem, to come to grips with it as quickly as we can, was allocated this past year when a full \$1 million was provided.

In the area of environmental research we are not only in the forefront but we are also a centre for dissemination of technical knowledge. We hold an annual research conference at which our researchers report on the new developments emanating from their projects. I would stack our researchers with the best on the continent and I make no apologies for that statement whatever.

The ministry's world-class central laboratory in Toronto has about 150 scientists and technical support staff. Labs are also located for testing in a decentralized way across Ontario at the regional offices in Thunder Bay, London and Kingston.

More than two million tests are conducted annually, of which about 130,000 relate to the Great Lakes and another 340,000 to drinking water monitoring, which I am sure you will agree is probably the single highest priority in my ministry in terms of an area of concern that we want to stay right on top of; that priority is the quality of our drinking water.

Recent advances in analytical technology enable ministry scientists to measure substances in water down to parts per quadrillion. If all of Canada were covered in dollar bills and one had your name on it, that would be one part per quadrillion, or, to give you another example, one part per quadrillion is approximately one second in 32,000 years. That is the level of testing and sampling that we are now able to do.

Ontario is ahead of other jurisdictions in developing dioxin standards. Dioxin is one substance that we are testing at levels that now are measured in parts per quadrillion. We already have an ambient air provisional guideline and a sport fish consumption guideline in place.

The ministry has been engaged in developing scientific criteria for standards for air, water, sediment, soil and fish for dioxins and dibenzofurans since 1983.

An external committee composed of international experts has been set up to review this scientific criteria document and the final report is expected soon, probably—although I will not commit myself specifically to this—before the end of the year. We will be the first jurisdiction anywhere in the world to develop standards for dioxin and dibenzofurans in relation to air and water and in terms of establishing standards we feel are appropriate and that have been scientific.

cally tested and balanced for their appropriateness.

In addition to in-house research, my ministry is providing grants and contracts totalling \$7 million in this and the next fiscal year to universities and private research organizations.

Let me give you a couple of examples of where we spend that money. The University of Waterloo is developing a mathematical model to predict the effects of spills of hazardous substances on soil. The University of Toronto is conducting research on the possible health effects of contamination of recreational waters by viruses or bacteria.

This leads me to the issue of the beaches because obviously that issue is impacted very directly by bacteria or by faecal coliform counts that result on occasion in the closing of some beaches. While the Toronto beaches are basically a municipal problem, my ministry is active in partnership with Metropolitan Toronto in helping to clean up the beaches in this area.

Our Toronto area watershed management strategy study has been expanded greatly during 1984-85. We are completing an analysis of the 600 discharge outlets into the Humber River to identify pollution sources and to recommend cost-effective solutions. That is not a misprint. There are, in fact, 600 separate discharge points that are discharging into the Humber River at this time and ultimately from the Humber River into Lake Ontario.

The \$150,000-diversion channelling of the Humber to send the river waters further out into Lake Ontario has been effective, but is recognized by my ministry as being an interim or short-term remedial measure. As additional knowledge becomes available, more specifically about the 600 outlets I identified earlier, more action will be taken towards a longer-term solution.

Intensive studies of the pollution sources to the Don River are also under way. A dry weather outfall survey of Mimico Creek to identify potential illegal connections and cross-connections has been initiated. A cross-connection, I might add for those members who are not always with us on this committee, is when a sanitary sewer connection is illegally, inappropriately or accidentally connected to a storm sewer outlet.

Rather than the sanitary sewer going through the sanitary line, ultimately to the treatment plant for treatment, what happens when there is a cross-connection—that is effectively what it is—is that the sanitary line is connected, sometimes inadvertently, to the storm line and then dis-

charges directly into the river or into the lake without treatment of any kind.

Obviously, that kind of situation can lead to rapid contamination and high levels of faecal coliform or high levels of bacteria in a very short period of time as a result of these wastes being discharged without any treatment. It is a very difficult investigative process because we are talking about lines that are underground. The investigative process is very long, costly and cumbersome, but ultimately we can find some solutions to those problems by finding out where such cross-connections are located.

The Ministry of the Environment has provided \$2.4 million to Metro municipalities to assist in sewer separation and another \$600,000, for a total of \$3 million, for beach studies and improvements. This is in addition to a grant of \$3.4 million to Metro Toronto for sewage and water projects to be undertaken in 1984. Outside of Metro Toronto, my ministry this summer conducted surveys of bacterial pollution in the waters of more than 60 priority beaches. The surveys will identify the sources of pollution that led to the posting of bathing beaches last year.

I am personally a firm believer in getting parties together to iron out environmental problems. When this approach does not have the desired result, I am also prepared to take legal action. A promising alternative, however, to formal legal proceedings is environmental mediation, which is a voluntary process whereby parties to a dispute jointly explore and seek to reconcile their differences, often with the assistance of a third-party mediator.

In March 1984, the Environmental Assessment Board initiated with my support a pilot project using environmental mediation to resolve issues surrounding the location of a new waste disposal site in north Simcoe county. In July 1984, the first phase of the pilot mediation project was concluded successfully with the adoption of an agreement concerning the existing Pauzé landfill site in Tiny township near Midland. The project will continue to address the long-term issue of locating a new permanent site.

I consider this to be a successful application of our co-operative approach and I will support further applications of this approach to other problems where environmental mediation appears to have a positive role to play.

My ministry is following through on the commitment in the 1984 speech from the throne to explore, in consultation with interested parties, issues connected with the reform of environmental laws in Ontario. My ministry has

invited 30 representatives of environmental, public interest, municipal, business and academic organizations to participate in a two-day symposium on November 1 and 2.

11 a.m.

They will give their views on the philosophy and the approaches that might guide improvements in our legislation, obviously with a view to making our legislation more effective and more responsive to the environmental realities of today. There is concern, we realize, that our laws change so that they continue to serve their purpose of protecting human health and environment and adapt to changing circumstances.

I have invited various individuals and organizations to participate as members of a new public interest liaison committee on drinking water issues. All those invited have responded positively. I believe such a committee can do an excellent job as a sounding-board on issues related to the quality of Ontario's drinking water.

On that particular committee we have a broad cross-section of representation from literally all walks of life, including, quite obviously, environmental groups which have a very specific and a very keen interest in such things as appropriate levels—if there are in fact appropriate levels—of trace contaminants in drinking water and in some of the new technology that I described earlier, such as the carbon filtration process, the ozone process and so forth. They will be looking at a whole host of things in that connection.

I have also held meetings with many citizens' groups on a wide variety of subjects of environmental concern. These groups include Pollution Probe, the Federation of Ontario Cottagers' Associations, the Federation of Ontario Naturalists, the Conservation Council of Ontario, the Canadian Coalition on Acid Rain and the Canadian Environmental Law Association; as well as delegations from a number of municipalities, including that of the member for Lake Nipigon (Mr. Stokes).

The ministry has provided a \$10,000 grant to the Canadian Environmental Law Research Foundation towards its research project of an examination of environmental assessment in Ontario. This is one of the steps my ministry is taking in the general review of our regulatory structure.

We have been streamlining the environmental assessment process in order to reduce delays and cut the costs. The streamlining is being done through formal consultation before a submission is presented, the developing of class environ-

mental assessment documents and clarifying the tasks of each member of the government review team.

In July 1974, I met with representatives of 22 environmental groups to discuss their brief requesting the ministry's financial support for their participation in environmental hearings—in other words, intervenor funding. Staff have been instructed to investigate the administrative means whereby such support might be provided. I might add that we have already provided intervenor funding, as I noted earlier, which will be made available through the Ontario Waste Management Corp. with respect to hearings related to the site selection process for that particular facility. Intervenor funding will also be available in the case of the mobile destruction facilities for polychlorinated biphenyls. We have made money available in connection with that particular undertaking as well.

Members of this committee are aware that the budget of my ministry has been reduced this fiscal year. The \$2-million reduction, however, does not in any way signify that we are reducing our efforts; in fact, it highlights the progress we are making. That progress has been brought about because many of the capital projects we have funded, such as the York-Durham and the south Peel sewage treatment systems, are coming on stream and the money going into this area has declined.

Those were very substantial capital undertakings at the time my ministry became involved with them and, as a result of the fact that many of those systems are now coming on stream, being constructed and operating, the amount of money that is going into some of those new expanding facilities has not been quite as large as it was previously, so there has been a decline. It also means that we are not reducing our spending on other environmental matters, such as capital grants to other municipalities.

I can assure members that my ministry is going to operate as efficiently and as effectively with the taxpayers' dollars as we can. Simply throwing more money at the environmental problem is not always the best solution. In many instances it requires a great deal of time and study before we even know what the environmental problem is and what the best application of technology might be in order to overcome whatever complication is related to a specific difficulty.

Much more can be achieved through fostering a partnership for the benefit of the environment and, thus, for the people of Ontario. I am

committed to that philosophy of conciliation. It gets results that more money would not accomplish. When I assumed my responsibilities, I saw my role essentially as that of a conciliator. I think the quiet diplomacy of persuasion accomplishes more than does shrill comment.

Because the environment involves and affects all of us, I have enlisted the co-operation of public interest groups, industries and other provinces, as well as the federal government.

While I prefer the carrot to the stick there are, unfortunately, occasions when appeals to good citizenship, good corporate citizenship and the wisdom of co-operation fall on deaf ears. In those cases, I want to say to my colleagues that my ministry has applied our enforcement mechanisms on violators. This year we laid double the number of charges of the previous year.

The highest fine imposed under the Environmental Protection Act was \$30,000; under the Ontario Water Resources Act, \$5,000; and under the Pesticides Act, \$13,500. In some cases, both I and my ministry officials think the fines are too low. I have committed myself in the House, as well as again to you today, that we will be reviewing the structure of fines to see that the penalties adequately reflect inflation and are a real deterrent to breaking the law.

We are broadening the scope of our legal measures. This year was the first time my ministry took legal action against the generator, the transporter and the recipient of industrial wastes.

The members will recall that my ministry undertook a detailed investigation of the transporting and dumping of industrial waste on a farm in King township. This resulted in a director's order. When that order failed to get results, I issued a minister's order.

That order was not complied with, and I then caused the necessary work to be done through my ministry by bringing in a contractor; in other words, we undertook to correct the situation ourselves. The owner was not using the site in an appropriate fashion and it was an unlicensed site for the type of waste that was being disposed of. The owner refused to take remedial action personally and therefore we moved in. I am pleased to report to you this morning that all wastes and contaminated soils have been removed from that site. The owners of the farm were charged and found guilty.

Under the Environmental Protection Act, it is my ministry's intention to attempt to recover the full cost of this cleanup through civil courts.

We have managed to reduce greatly the problem of illegal dumping of industrial wastes through our relatively new waybill system, which documents the movement of wastes from generator to disposer. It is an excellent system, probably the best on the continent. I might add that it has been applauded by my colleagues in many American jurisdictions who have taken a look at the waybill system we have now implemented. We intend to improve it even further in the time ahead.

The evidence I have submitted to you this morning demonstrates that this past year has been a busy and productive one for the Ministry of the Environment. The detailed estimates before you demonstrate our determination that this year will be equally productive.

When I assumed the Environment portfolio, I saw my role as that of a conciliator, as I mentioned earlier, getting people to work together. Over the intervening months I have attempted to bring about concerted action in getting things done. With this partnership, I believe we have accomplished much in the last year and I believe we can accomplish a great deal more, not only next year but in the years ahead as well.

That ends my submission in a formal sense to the members of the committee.

Mr. Chairman: This is an appropriate time for the critics to make a few comments. Mr. McGuigan, are you going to speak on behalf of your party?

Mr. McGuigan: Mr. Chairman, our critic, the member for Huron-Bruce, is not going to be here this morning. He took on some assignments in his riding, having counted on an election.

Mr. Chairman: Out campaigning? The rest of us are here working.

11:10 a.m.

Mr. McGuigan: He finds himself required to be in two places, so I have volunteered to take his spot.

On a personal basis, I want to begin by saying that I am encouraged by the minister's actions. Perhaps for the first time we have a minister who is concerned and is doing the best he can. I have to criticize the government he represents for not taking this seriously enough, but I believe the minister himself is taking it seriously.

For the second year in a row, the ministry's budget has been cut. Over the years 1982-83 to 1984-85, the budget has been reduced by \$28.8 million, or 8.4 per cent, from expenditures of \$341 million in 1982-83 to estimates of \$312.2 million for 1984-85.

This is how it actually breaks down. In the year 1982-83 actual expenditures were \$341 million, and in 1983-84 they were \$325.6 million, a reduction of 4.4 per cent; in 1984-85 expenditures are estimated at \$312.2 million, a reduction of 4.1 per cent.

How can the Minister of the Environment defend such cuts when the protection of the environment remains a priority issue? I have to wonder if the government has reduced its commitment.

Let us take a close look at the comparison between 1983-84 and 1984-85. While the minister has cut the ministry's budget overall, he has increased it for nonessential items and ministry administration. I will give a few examples of budget items.

For the ministry administration program, vote 2201, the funds in 1984-85 are estimated at \$14,838,581, up by 10.7 per cent; personnel services, \$1,652,800, up by 24.8 per cent; and information services, \$1,842,200, up by 8.4 per cent. For program administration, vote 2203, item 1, funds are estimated at \$1,038,800, up by 92.7 per cent. For program administration, vote 2202, item 1, funds are estimated at \$134,500, up by 9.1 per cent.

At the same time, some of the most important programs received substantial cuts. They include the environmental control program, vote 2203, \$37,065,900, which is down by 4.1 per cent, and the utility planning and operations program, vote 2204, \$217,958,700, which is down by 6.5 per cent from last year's actual expenditures of \$233,019,000. The line items, including item 2, project engineering, at \$139,787,660, are down by 11.9 per cent from last year's actual expenditures.

It appears to me that the ministry is fattening the bureaucratic dole and at the same time chipping away at the front-line programs that are urgently needed to protect the environment of this province.

Why does the ministry have to increase its administrative budgets when it is cutting back on all of its most important programs? Surely, when he cuts back key programs such as air resources, down by 6.1 per cent, and water resources activities, down by 12 per cent, the minister does not need to increase his ministry's propaganda budget for information services by 8.4 per cent.

I would like to briefly cover several areas of concern.

Our party is not satisfied with the Perkinsfield mediation regarding the management and problems related to the Pauzé landfill. It bypasses

normal legislation designed to protect the public. We have adequate protection under the Environmental Protection Act and the Environmental Assessment Act. Used properly by this ministry, they would be more than sufficient to deal with the problem.

For example, a control order issued under the Environmental Protection Act to close a toxic waste landfill this month was the right move; instead, we now have the dump with a history of poor and possibly outright illegal management given a new three-year lease on life as a result of the mediation. The mediation was conducted in secrecy and without participation of all interested and potentially affected groups. I understand it is open now, but not before key decisions were made.

I guess I can understand why the minister may want to take this route. I, personally, saw the very long and protracted hearings we had in Harwich township a few years ago. They were very costly and very long. I often wondered why we could not make it shorter. Nevertheless, those decisions were made in the open, and I believe it was that openness that made them arrive at successful conclusions. I guess in a democracy there is no other way to do it except by being costly, but the benefit of being open overrides the cost.

Mediation saved the Ministry of the Environment from a major lawsuit initiated by the two families with the most contaminated wells, the Therriens and the Kramers. It appears the \$1.25-million suit was dropped in return for a promise of water supplies and an undisclosed amount of cash, which people in Perkinsfield say is close to \$40,000 per family. The cash settlement has effectively silenced these two families and separated them from the others, but they are still raising concerns about the contamination of their water.

We would like to know where the money is coming from to pay the Therriens and the Kramers. I understand from reports in Midland that the ministry is footing the bill but passing the funds through the municipality.

Another area in which the ministry has attempted to bypass existing legislation is in the matter of the mobile polychlorinated biphenyl destruction units. In the most convoluted manner the ministry decided a commission for the regulatory control of mobile PCB destruction facilities held under the Public Inquiries Act should replace the existing requirements for site-specific hearings under the Environmental Protection Act. The public notice specifically

states in bold print that "there would be no further hearings if proposed regulatory and administrative programs should be adopted."

I have one final point. The ministry made a poor showing at the S area hearings in the US District Court in Buffalo, New York. I know we have been over this matter in the House; however, it bears repeating.

The ministry's lawyer and expert witnesses gave conflicting signals. One minute they accepted the proposed agreement with Occidental Chemicals for cleaning up the toxic dump; that would have resulted in the chemicals remaining in the dump. The next minute they called for the chemicals to be removed. The expert witnesses were not fully informed about the issue and appeared to be hastily and ill prepared. The whole group of lawyers and expert witnesses for Ontario, who had been working on the case for months, were apparently ignored by the ministry.

In summary, we are concerned that under the minister's leadership the Ministry of the Environment is being slowly weakened by a drain of funds and circumvention of established laws. We hope this is not the case, and we wait to hear from the minister why he thinks this is not the case.

Hon. Mr. Brandt: Mr. Chairman, with the approval of the critics and the members of the committee, what I would prefer to do is to hear from both critics, the New Democratic Party next through the member for Hamilton Mountain, and then we can establish a period for response immediately following the completion of the critics' submissions. If that meets with the approval of everyone here, I propose we proceed in that fashion.

Mr. Chairman: That is certainly agreeable to the chair. We will proceed on that basis.

11:20 a.m.

Mr. Charlton: Mr. Chairman, I would like to start my comments by dealing with the question of the ministry's estimates in terms of dollars, because it appears to us that the actual reductions in the ministry's budget are far more substantial than the dollar signs and the numbers that follow those dollar signs indicate.

We have two factors to deal with. We have to deal not only with the number of dollars the ministry has spent in each of its recent budget estimates but as well with the rate of inflation over the same period. Comparing both the rate of inflation and the actual dollars spent in the period 1981 to the present, it appears clear to us, taking into account both the dollar reductions in the ministry's estimates and the rate of inflation over

that period, that in terms of real spending by the ministry we have had in total a reduction of some \$92 million out of a total budget of what should be, based on the 1981-82 estimates, \$404 million, not the present estimated budget of \$312 million.

I think that speaks to a very serious problem. It is all well and good for the minister to say in his opening statement, as was said last year, that the reductions of actual dollars are related to the completion of commitments to municipalities for water and sewage treatment. It is our view from the 1981-82 estimates that the ministry at that stage was not doing all it could do. That is not to say the things it was doing were not appropriate. The question becomes, what is the real commitment in long-term funding to the environment and to keep up with the increasing costs of dealing with the environment?

For example, the minister made the point during the presentation a few moments ago that the \$6 billion, I believe it was, which the ministry and the municipalities had jointly invested in water and sewage treatment facilities would represent some \$30 billion in current dollar value. I have not found the figures, but I think those were the figures used. I think they reflect what I am speaking about at this point.

If those kinds of dollars for slightly more than a decade reflect the reality of inflation, then for environmental protection and in some cases environmental cleanup, the real reductions in dollar expenditures by this ministry over a four-year period which I am referring to are rather significant in their overall short-term and long-term impact. We would like to see some serious consideration of that in our discussions during these estimates.

There are a number of items in the minister's opening statement about which I wish to make some comments and which we can deal with further when we decide on the appropriate process for responses to and discussions of those issues.

For example, the minister mentioned, "We also have faith that the government in Ottawa will see fit to continue the co-operative arrangements for funding of sewage treatment projects in the communities in the Great Lakes basin." The minister suggested in comments that were not in the text that those discussions would be proceeding soon.

During the course of these estimates, we would like to discuss with the minister when those kinds of discussions with the federal government are likely to take place. Since we

have a new federal government, it is fine to talk about faith, but for us to logically have a complete discussion of what this set of estimates means in terms of environmental protection in Ontario, we have to have some kind of indication of more than just faith that existing federal programs and approaches, in terms of sharing the cost of these programs we are talking about here, have some reality.

It is not going to make for a very fruitful discussion of whether the dollars in these estimates are adequate if we do not know in a factual way what the federal commitments will be. In spite of there not having been very much specific since the election, we have obviously heard very serious concerns being expressed by the new federal government in Ottawa about its financial situation being much worse than the public had been led to believe. This raises the spectre of limits on the new federal government that it did not expect to find. We would seriously like to know where the impacts of those new concerns that are now being expressed will fall in specific relation to these estimates.

With respect to the minister's comments about the acid rain problem, I have two serious concerns. We obviously have no major overall objections to the agreement that was reached between the federal government and the seven provinces for a 50 per cent reduction by 1994. As we have stated before and will state now, however, we do have some serious concerns about what a 50 per cent reduction is, how we will achieve that 50 per cent reduction, what roles the federal and Ontario governments will play in assisting industries to achieve that goal and what the commitment to reducing emissions by Ontario Hydro will be. We have had discussions on the latter topic on an ongoing basis.

There are a couple of very serious concerns that arise when one takes in tandem the statements the minister made in his opening remarks about evidence now accumulating that acid rain can contribute to the slowing down of tree growth, which is a worrisome finding for our forest industries, and those about the targets we are setting for reductions.

For example, the minister said in his statement that "if matched by comparable US action, we will be able to reach the scientific parameter of 24 kilograms per hectare per year and protect all but the most sensitive areas."

11:30 a.m.

From my reading of this and from the minister's off-the-text comments about what he

was talking about in reference to the phrase "protect all but the most sensitive areas," it seems to me he was restricting his comments to the acidification of lakes primarily in terms of the 20 kilograms per hectare.

We are in a situation, however, where we now know that acid rain has an impact on forest growth. Again off the text, the minister described for us the impact that has been discovered in a one-year period in Germany. Yet we do not know whether the target of 20 kilograms per hectare is an adequate level of reduction in terms of forest protection.

Although the reductions we are projecting may very well deal with the largest proportion of the problem of acidification of lakes, the buffering nature the ministry talks about in various areas of the province depends on where the buffer is whether that same impact and that same level of protection will occur for the forests on which the acid rain is falling.

A buffer that is below the surface to any substantial extent is not going to buffer or protect the forest crops that are soaking up acid-filled water for their nourishment and will not protect those very same forests from the disintegration of the food on which they depend, that is being dissolved in the surface soils by those acids.

There are a number of very serious questions we have to look at that are not addressed by the straight 50 per cent reduction we are talking about. It is imperative that we get on with that job as quickly as possible so we can have more fruitful discussions about whether or not the program we have set out really gets at the problems with which we are confronted.

There is another serious concern arising out of that and it is still a question that, to the best of my knowledge, has been unanswered, although it has been raised a number of times over the last few years in these estimates. Perhaps the minister, because of new information that is available, can provide us with an answer this year.

That question relates to the minister's comments—I am just trying to find them here—on the reductions in the amount of sulphur dioxide emissions between 1972 and the present. I cannot seem to find it.

Hon. Mr. Brandt: It is the section on the air quality.

Mr. Charlton: Yes, it is. I am in the right section, but I just cannot find the figure.

Hon. Mr. Brandt: Is it 68 per cent?

Dr. Dyer: Yes, it is 68 per cent for sulphur dioxide.

Mr. Charlton: Yes, that is the figure.

What we have not had put before us, and it has been raised a number of times, is how much of that reduction results from reductions in production levels, which in the economic struggle to put Ontario's economy back on its feet we hope to regain part of or all of, in many of the industries about which we are talking. We know that in some of those industries we will never regain the production levels of 1972. On the other hand, we certainly hope to regain some of the losses we have had. Therefore, it is important for us to know, at least in rough terms, how much of those reductions result from reduced levels of production and not just from technological change. Here we are. It is on page 14.

The other question that arises around that whole area of discussion about the reduction of emissions of sulphur dioxide in Ontario is how much of those reductions results from changes of process in industry, changes in process which may be creating new pollutants as opposed to the pollutants we are now measuring. The minister has dealt with that in part by his announcement some time ago, which he has repeated here in his opening statement, about current pollution indexes currently related to sulphur dioxide and suspended particles. He is expanding that to cover six contaminants.

What studies has his ministry done to determine how much of that 68 per cent reduction relates to changes in process which may be producing new contaminants, and what are those new contaminants? In other words, is he targeting the correct six new contaminants he will be monitoring? Do we know what process changes in the steel or in the smelting industries in this province have created new potential pollutants in Ontario?

In the areas the minister raised in his opening statement about actions which the ministry has taken around things, he said, "I have promised local citizens that my ministry will continue to keep this problem under surveillance." We are talking about the Breslube oil refinery in the Kitchener-Waterloo area and the Uniroyal situation at Elmira. It is all well and good that the ministry will take actions and step up its monitoring and work closely with the Elmira technical steering committee; we certainly cannot criticize that approach. There has been an ongoing discussion in the Elmira Uniroyal situation about cleanup; but no cleanup and direction on how to prevent the chemicals that have not already gone into ground water from getting in.

That discussion will go on, but ultimately that is the most important discussion, so our questions relate to what the ministry is doing to firm up the approach to that kind of site. We do not have any experience in Ontario with the actual cleanup of a landfill, of a dumping area like that. There are some areas of experience around the world, although they are limited at this stage. What approach is the ministry taking to coming to an eventual resolution of that problem and of many others, such as the Pauzé landfill site, the Upper Ottawa Street dump and the Stouffville dump?

As the minister has said in his comments about chemical dumps in New York state, and as ministry staff have said, although remedial action on those sites may be warranted and necessary in the short term the goal ultimately is cleanup because no site can be safe forever. I think we have to take that same approach here in Ontario, so it behooves us to have the Ministry of the Environment work towards an approach to cleanup in this province that we have not yet stated. That, I suppose, is what I am asking. What are we doing to develop that approach, to develop the technology for cleanup, which we will have to undertake at some point even if the short-term solutions are remedial in nature?

I have some questions about the program of waste management in the province—and this is without criticizing the approach the ministry took last year in Blueprint for Waste Management in Ontario and the public hearings that went on after it—questions about the specifics of the projects in Kitchener, in Burlington and in Oakville that the minister mentioned in his opening statement.

The minister mentioned that about 30,000 tons of waste are being diverted by municipalities through programs supported by the ministry. That is good; we applaud that and we hope we will see the extension of those programs into many other municipalities over the short term, not necessarily the long term.

But in order for us to evaluate effectively the rate at which we should proceed with those kinds of projects, the number of dollars we should pump into them, it would be useful for us not just to have much more detail on the total number of tons involved in recycling at the present time—the total tons being diverted from landfill sites and the number of participants in the municipality—but also to know what the effective or average reduction of the total waste volumes in those municipalities is and what overall impact we can therefore expect from the implementation of these kinds of projects in reducing the pressure

on the need for landfill sites in the future, because we know this is going to be an ever-increasing problem in getting approvals for new landfill sites.

11:40 a.m.

Although I understand the minister's inability to tell us very much about the proposals that are at present before cabinet on the whole question of bottles versus cans and steel cans versus aluminum cans, and I understand the dialogue has been quite extensive with all the participants individually, in this one area we seem to have neglected the very role the minister says he sees as his primary role, the role of conciliator. You cannot conciliate a solution to that problem by dealing individually with all the participants.

This seems to be the one area where he is avoiding what he says is the best approach, where we sit all the participants down together and work out a solution. This is the one area where he seems to be avoiding that approach to the solution. I would like to hear your comments about why you have taken this different approach in this one area. I understand it is a very sensitive one. You know very well it is even very sensitive for me as a member from a steel town.

Hon. Mr. Brandt: Perhaps I could interject to say that if you would like to attend a meeting with me at which we will bring in two of the participants, I will stay as long as you will with those two participants—I will name them shortly—to come to an agreement relative to this whole question. If it takes a week, we will have sandwiches sent in, or whatever is necessary. I assure you that you will be amply entertained.

The two groups where there is a total polarization of positions on this are aluminum and steel. I want to talk at some length in my response to this question. I had to interject at this point only by way of example, to show you that the process of conciliation is an important mechanism about which I feel very strongly. There are instances where conciliation simply will not work, however, when the two positions are so diverse and so incompatible that you know right from the outset that steel does not want aluminum in. Steel has a monopolistic position in the market relative to cans. I do not think this comes as a surprise to any of us in this committee. Aluminum wants into the market.

Into that whole equation we can draw a host of issues that relate to steel: Hamilton, jobs, the environment, aluminum, recycling, the cost of the value of the material of the product and how that fits into the whole process; all those questions. I will not interject any further, other

than to say this will give you an example of how difficult it is to bring those two groups together, and they are only two of myriad groups.

Mr. Charlton: I have no illusions about the difficulty in this case. My questions related more to how you set out this process of conciliation and your responsibility as a minister to take action when the conciliation process will not work.

By avoiding the conciliation process altogether in this case, you may be missing an opportunity to reduce, at least somewhat, the differences between the participants. You are not going to get that if you are dealing with them totally separately. I have no illusions that conciliation in this case would reach an absolute agreement with all the participants. I am quite sure it would not. It might, however, reduce the areas of concern and dissent and bring the poles slightly closer together.

If so, whatever solution you have to ultimately impose—and I think you will have to impose one; I do not have any illusions about that either—will be less offensive in the overall context than a solution that is imposed without the parties having been able to resolve whatever small number of matters they might have been able to resolve in the process of discussion with each other when the problem was confronted in a more public way.

I have no illusions about the seriousness or the extent of the differences between the parties in that discussion. I think the differences between those two are only one example of the extremes that exist in that whole debate around bottles and cans as well, and some serious differences between those different industries.

Just after that section, the minister makes reference to the termite problem. He made a comment that was not part of the text and I cannot quote him exactly on it, but basically he said the money that was being put into the termite situation had doubled last year in an effort to catch up with and get ahead of it. The obvious question is, did that occur? Are we on top of the problem or is still growing?

It is imperative that we as critics and as representatives of the public understand whether the problem is in fact being reduced by the level of commitment we are currently making to dealing with it or whether we still need more in order to get ahead of it and start reducing it as a problem as opposed to just running parallel to it as it goes along its merry way or perhaps even increases as a problem.

The minister is aware that we have some concerns about the whole program of developing

dioxin and furan standards. The minister said, "An external committee composed of international experts has been set up to review this scientific criteria document, and the final report is expected soon."

It is unfortunate that we could not have had that report for these estimates. The minister has said he does not know exactly when it will be ready, although his comment was that it would probably be before the end of the year; but perhaps at some point we could have a very serious discussion about it. We look forward to seeing the report, because it will be the first time that experts other than experts of this government will have publicly commented on—and I hope the document will be released publicly—

Hon. Mr. Brandt: It will be.

Mr. Charlton: —the approach that has been taken in setting dioxin and furan standards. We have expressed our concerns about those standards to the minister before and we would seriously like the opportunity to have some time to go through those with him at some point when that report is available.

I have a number of specific items I wish to raise with the minister that I will go into in some detail during the course of the estimates, but I will just throw out one now. This is not something he specifically referred to in his opening statement, but comments in his opening statement twiggled it with me because it was something I ran across this summer, did not quite understand and do not have any answers to.

It was in the section in his report where he was talking about the problems in the Toronto beaches, and it twiggled with me, first of all, the whole question of seagulls, which twiggled with me another thing that dawned on me during the course of the summer.

I took a trip this summer to the Leslie Street spit and, with all the seagulls that exist along the waterfront in Metro Toronto, I found it curious that there was almost a total absence of seagulls on the spit. I wonder if any of the minister's staff noticed that and if they have any understanding of why that is the case.

11:50 a.m.

In conjunction with that, the spit seems to have a very heavy infestation of some kind of flying insect. I do not know the type myself; it was something I was unfamiliar with, but it was a very heavy infestation. I am just curious as to whether that has any significance at all for the conditions on the spit and what that infestation might mean with regard to spreading outside the spit area. Those are just curiosity questions as a

result of things I happen to have run across this summer.

I have the same concerns the member for Kent-Elgin (Mr. McGuigan) raised in his opening comments about the pilot project in Simcoe county. The minister's comments here would seem to indicate that the mediation project was concluded successfully with the adoption of an agreement concerning the existing Pauzé landfill site in Tiny township near Midland. My recollection is, and we can discuss this in more detail later on during the estimates, that there was not total agreement around that mediation or its outcome and that the process did not serve completely to bring all the parties into line in total agreement about (a) the extension of the use of the landfill site, and (b) the future direction of waste management in Simcoe county.

The minister commented on the way he has approached a number of public interest groups in this province, specifically environmental groups, and attempted to involve their participation in a number of ways—as "sounding boards," I guess are the words the minister used—in regard to a number of future approaches around water quality. He also mentioned the symposium next month and his meetings with many citizens' groups on a wide variety of subjects of environmental concern. I think the approach is a good one. I cannot be critical of that kind of reaching out.

I suppose we will have to reserve comment on the results of that by seeing how the minister responds to that outreach and how much he takes from the comments he gets from those public interest groups in the way of policy decisions. As I suggested, it is difficult to be critical of that kind of reaching out since it is the kind of thing we have advocated for a long time. It is a process we will watch initially with great hope and watch critically in terms of the results that come out of it.

The minister had made comments in his opening statement about preferring the carrot to the stick and about sitting down and working out a solution before taking unilateral action on the part of the ministry. He also made comments on the concern about whether the levels of fines were adequate. During the course of these estimates, I would like to have a serious discussion around that issue and to hear his thinking on what I feel is a very important question.

We have had a number of comments, both publicly and privately, in that area, including one study that has given us some other jurisdictions to

look at in terms of the levels of fines and the potential impact of fines on polluters and the question of whether those levels of fines are a real deterrent to breaking the law. I would like to have a discussion with the minister on that matter during the course of the estimates.

In terms of some specifics, it is interesting to note the minister's comment that we laid double the number of charges of the previous year. Perhaps during the course of the estimates we can have some specific information on those charges, regarding the specific charges that were laid and the extent of the problem they were laid around, so that we can have a look at what the potential impact in terms of overall improvement will be as a result of those charges.

I have pretty well run through my concerns with the minister's opening comments and the perspectives that I see. I have also mentioned to him privately that I would like to have a very serious discussion around the whole question of toxic chemicals in the environment and some concerns that I have around the approach of some individuals, not from his ministry but who are used as consultants by the ministry on those questions. I would like to have a full discussion on his views and the views of his ministry staff in terms of our approach as a government and a society to the use of toxic chemicals, the emission of toxic chemicals into the environment and the cleanup of some toxic chemicals that are already out there in the environment.

As you are aware, some people seem to be going around this province expressing the belief that they are not a problem when all of the indications that we have seen indicate there are some serious and growing problems around the introduction of and exposure to toxic chemicals in the environment.

With that, I will wrap up my comments and we can perhaps determine how we will proceed from here.

Hon. Mr. Brandt: Mr. Chairman, I am prepared to respond to a good number of the questions now. That will probably take us through until 12:30, which I understand is the time for the adjournment of the committee.

Mr. Chairman: Yes, that is the adjournment time.

Hon. Mr. Brandt: I would like, if I could, to hold off the matter of budget discussions, which I believe was the principal thrust of the Liberal Party critic's position and was also commented upon by the member for Hamilton Mountain, for a later and more expansive discussion because that really relates to the line-by-line approach

within the document itself. If I could deal with the other questions that were raised by the critics, a large number of them raised by the New Democratic Party, I would be happy to get into those now.

I would like to move to mediation in the Pauzé matter, which was brought up by both parties. Perhaps I should background the issue just briefly and give members some indication of what we attempted to do there.

We recognize that the Pauzé landfill site had scientifically provable offsite migration of contaminants. The rather extensive and expensive study we undertook in that particular area, paid for by my ministry, could not support the evidence that the contamination from the landfill site had, in effect, contaminated the wells of the two parties that launched the suit against the ministry. There were three or four things contained in the suit, but essentially they accused us of being less than diligent in our control of that site.

12 noon

There was another matter in addition to the scientific evidence that we had about the offsite migration, which was not nearly as extreme as had been suggested by some quarters. By that, let me suggest there were some comments made over the course of the past year and a half that the contaminants from the Pauzé site, which I do not deny are there and are leaching offsite, would effectively reach the lake at some time.

The potential contamination of the lake was an additional problem that not only complicated the issue of the water wells that were located in the area, but also raised the possibility of the lake being contaminated by the migration of the contaminants. Our best information from an outside consultant—the consulting firm is probably the most respected in the field—indicated that not only will those contaminants not reach the lake, but also that they will probably be at nothing more than background levels once they migrate.

I forget the exact extent of the migration, but the migration will continue. Two things will happen. It will weaken as does all migration of contaminants. The strongest level of recordable or measurable contaminants is onsite. As it dissipates or moves offsite, the level of contamination cannot get stronger. Scientifically, that is impossible because the source is the site. It must go down. Ultimately, when it goes down two things happen. The migration of the contaminants dissipates to the point where they are

simply no longer a problem. That is our information on Pauzé.

Second, there were questions with respect to the contamination of the wells. Our best information is that the contamination and/or the plume had not reached the wells. The suit was launched in co-operation with CELA, the Canadian Environmental Law Association. They took action against the ministry.

While all that was going on—and I do not deny that was an issue—the group that represented the citizens of that area, including some representatives of the municipal council from Tiny township, came in to see me. We had a lengthy discussion, which I might add included the attendance of the local member, the Solicitor General (Mr. G. W. Taylor). At that meeting we proposed there be a form of mediation that we experiment with in an attempt to resolve the issue; because superimposed on all the other complications was the issue, what do you do with the daily garbage.

We had sandy soil conditions in an area that was very contentious relative to the location of a new landfill site, particularly in the municipality or in close conjunction to the existing landfill site, or where it was economically feasible to dump the garbage. The only other suggestion was that the garbage be moved at a cost—and this is not an underestimate; it is an actual cost that was worked out by the local municipalities—of \$1 million annually for a relatively small area in terms of population.

That would be the cost of taking an environmental problem that they had in their own area and perhaps moving it somewhere else so that they would literally dump the garbage in somebody else's backyard. From my perspective, I do not think that is the proper solution in solving some of these environmental issues. The people in that area generate the garbage and the people in that area should be responsible for finding a way to dispose of the garbage.

In effect, the Tiny township residents through their municipal councillors, their elected officials, established a committee to go out and search for a site. Over the course of about a year, as I recall, they looked at three or four potential sites and could not come to an agreement, because every site that was chosen was ultimately objected to by somebody else.

They were going around with this very difficult problem of Pauzé having a closure order for October or November 1984. That site was no longer going to be available and no new site could be found. It seemed an appropriate

opportunity for mediation to be brought in in an attempt to resolve a difficult problem. There were the economic realities, the environmental concerns relative to Pauzé, the daily garbage problem, the contamination of the wells and the concern of the citizens. All those things were wrapped into what ultimately resulted in 17 separate groups being involved.

If the members can imagine it, 17 separate groups were involved in that entire issue. After very intense and difficult negotiations—I might add that this ministry after lengthy discussions between myself and the deputy at the time finally conceded a number of points—we were able to come to a mediated settlement which satisfied 16 of the 17 groups.

When I say that this ministry had to give in, all along in the Ministry of the Environment we had taken the position that the Perkinsfield water supply would not be contaminated by the offsite migration of the Pauzé plume. We took this position because all of the scientific evidence we had indicated the plume was moving in a direction completely opposite to Perkinsfield. It was not moving in that direction at all, so the wells there would not be affected.

A concession was made, however, on the part of my ministry. Because there were real concerns on the part of the citizens, which we interpreted as being less than objective with respect to the evidence we had, we moved in with a proposal, as part of the mediation process, to supply treated water in that particular area so that we would remove from the concerns of the citizens the whole problem of whether or not their wells would be contaminated.

We also picked up the two households that you mentioned in your comments—I believe they were mentioned in the comments made on behalf of the Liberal Party—with respect to contaminated wells. We made sure the piped water would serve those residents as well. That removes the necessity of us supplying their water. I should mention to the members of the committee that we are supplying water to those residents at the present time. I believe there are three residents there now and perhaps a couple more, for a total of five, who may be supplied with water just to make absolutely certain that no one is drinking contaminated water.

I have to tell you that in a complicated issue such as this, when we get this kind of approval—and not through any arm-twisting on the part of my ministry officials—we have come a long way. When we have people sit down, people of goodwill who recognize the economic realities

and the environmental realities, and they resolve the problem to the point where 16 out of 17 groups finally say they can sign a document which contains a whole series of recommended items for approval, then I think we have come a long way.

Of course, one of the major issues is that, as the site will be left open for three years, the part of the site which is now recognized as being contaminated will be properly capped and there will be surveillance. By surveillance I do not mean that a ministry representative will be the only one doing the surveillance; perhaps the suggestion might be that we would keep that information to ourselves.

In fact, the citizens' group would be part of the surveillance committee that would look at such things as the capping of the used portion of the site and the security on the site, to remove the possibility of a midnight hauler going in and dumping at some future point; or some other problem of that type, such as the tidiness of the site, the cleanliness and so forth. All of those issues will be looked at by a local citizens' group that will work co-operatively with my ministry in order to make sure we do not have a future problem.

The committee that is looking at alternative sites is still in place and has a mandate now and, I might add, a responsibility to move in with a proposal over the course of the next year or two years, I hope, in order to have a site selected prior to the three-year closure date for the existing site.

I really think we have made substantial progress with respect to resolving that particular issue. We had to give in on a number of counts to solve the issue from my ministry's standpoint and some of the groups had to give in a little bit. I might add there were groups that wanted the site closed right away, but they recognized that the cost of doing that was well beyond their means with respect to the practical realities of it.

Mr. Charlton: Mr. Chairman, just before the minister goes on, I will not get into a full discussion of that issue at this point, since he has a number of other things to respond to in 20 minutes. All of that is understood by both the Liberal critic and myself and that is not in specific terms the aspects of this whole discussion we object to. We have seen nowhere in those discussions comments about a number of other aspects of the whole situation around the Pauzé landfill site. They may exist, and if they do, I hope those things will come out during our discussions here.

For example, all the assumptions about the Pauzé landfill site, the danger of the plume to existing local wells and whether the plume will ever affect Georgian Bay are based on the contaminants that have leached from that site to date.

12:10 p.m.

To the best of my knowledge—and during our discussions maybe we can be brought more up to date—there has never been a complete and thorough identification of all the substances that went into that site, substances that may not yet have leached out. That creates a very serious concern about whether the decision to extend the life of that dump was a reasonable one.

If there has been a thorough identification that has not been released publicly to us, we would certainly like to see that. We have clear evidence that all kinds of dumping went on in that site of materials that were not appropriate and not recorded. We have evidence of at least a couple of cases of that and, therefore, the assumption is that likely more of that went on than we are aware of.

Until such time as there is a clear identification of all the things that went into that site, and the potential contaminants that may eventually come out of it or may be squeezed out by its continued use, we and a number of the citizens in that community are not going to be satisfied with the continued use of that site.

If all that exists as a potential to come out of that site are the contaminants that have already come out, perhaps the decisions that have been made are appropriate. If there are contaminants in the site we are not yet aware of that pose substantially different problems than the trichloroethylene and some of the other things that have already migrated from that site, we may have a totally different picture to look at.

It does not make sense to us to be moving in a fashion which is, in effect, blind in terms of finding solutions to those problems.

Hon. Mr. Brandt: Let me respond in part by saying that we spent more than \$200,000, using the best consulting firm we could find, to identify the contamination onsite and the degree of offsite migration. I think we have completed the kind of study which the member is suggesting should be done.

Mr. Charlton: Is the minister talking about the Gartner Lee report?

Hon. Mr. Brandt: The Gartner Lee report.

Mr. Charlton: We went through that very carefully and could find nowhere in that a thorough identification of the site itself.

Hon. Mr. Brandt: As the member knows, not only have we monitored onsite but also we have monitored a very substantial number of wells offsite to identify the plume, what is in the plume and the migration direction of the plume. Perhaps in a moment I will let the assistant deputy minister respond to the specifics of the member's question, but I think we have a handle on this one. I mentioned before that the capping and control of the site will reduce the offsite migration and the downward pressure through precipitation into the landfill itself and, therefore, should slow down the migration of the offsite contamination.

With respect to the lawsuit—and this was mentioned, I believe, in the member's earlier remarks—I would like to mention that the lawsuit was also part of the settlement that was arrived at through mediation. It was not something dreamt up by the Ministry of the Environment. The subsidy payment or the grant, if you will, to provide moneys for the water supply was discussed by the committee. They felt they should attempt to resolve all the outstanding issues relative to that site. Those included the outstanding lawsuit that had been launched by the two parties against the ministry. That was resolved in the context of that.

I have read some of the comments of the municipal officials from that area. I might add that they came from a very limited number of municipal officials. The vast majority of citizens and elected officials of that area were quite content with the formula that had been developed through the mediation process to look after the Therrien and Kramer families. That was an appropriate way of resolving the concerns they had.

We felt very satisfied that if we went through with our response to the lawsuit that had been launched against us, we would win, because based on the best technical and scientific information we had at that point there was simply no evidence to indicate those wells were contaminated by the Pauzé landfill.

I know that logically the member and I can sit here and ask, "Where else did it come from?" I can say that the contamination in the well at the school site in Perkinsfield, which was only limited, did not come from Pauzé, yet that well was contaminated as well. Some of the theories relate to a direct dumping into the well, the use of some cleanser, detergent or some other chemical that could have been put directly into the well, but there is no way the migration from the Pauzé site went as far as Perkinsfield or anywhere in

close proximity to the school. It is close to but not at the point of the Therrien well.

This is only a personal opinion, but in my view, based on that kind of scientific evidence, had we gone to a lawsuit we would have won because in terms of the scientific information the contamination was not attributable to the Pauzé landfill site.

Mr. Charlton: We will have some questions about the Gartner Lee report in specific terms during the course of the estimates.

Hon. Mr. Brandt: All right.

Mr. McGuigan: Was the cash settlement a public settlement? Do the rest of the people know what it was, or was it secret?

Hon. Mr. Brandt: No, it is not secret at all. The total series of agreements reached in the context of the negotiated settlement was released publicly, including the provision of the water supply that we agreed to, the surveillance on the site and all those things. That was all released publicly. The way in which the Therrien and Kramer matters were dealt with was public, to the best of my knowledge. Subject to being corrected by ministry officials, I understand that was public as well.

I have seen it in the media. Whether it came through the media as a result of its not being released by us, I do not know, but I had no objection to its being public information because we had settled the issue. Some people have now suggested that we have muzzled the Therriens and the Kramers. We settled the issue. In other words, we satisfied them through a mediation effort, not one arrived at by the Ministry of the Environment. We had representatives there, but it was a mediated settlement and part of the settlement was payment to the Therriens and the Kramers.

Mr. McGuigan: Will the minister check back and see whether that really was made public by his people? He can understand that the people in the second tier of the advancement would have a natural suspicion that the front-line people had sold out and would wonder what would happen to them at some time in the future.

I do not think anybody can say scientifically and beyond any shadow of a doubt that in sandy soil there is not going to be some movement. I happen to live on some of that sandy soil. There are gravel pits in the area. One can see differences in strata in the banks of the gravel pits. There may be just a little stream bed some place in the geologic path that provides a pathway for the movement of contaminants.

Unless one actually cuts down the face of the land, one is not going to reveal all that.

I can well understand that by drilling and doing a lot of tests, one can probably reach a balance of probability that it is not there, but I do not see how one can say absolutely that it is not there. If one is on the downstream side of that, one is naturally going to have some concern.

I would like to see the minister make certain they have released that and make it public so it would eliminate all these suspicions.

Hon. Mr. Brandt: I am going to ask Mr. Caplice, the assistant deputy minister, to respond in part to some of the questions that have been raised.

12:20 p.m.

Mr. Caplice: Mr. Chairman, I will be brief. As to the second tier of impacted parties, we do not see clearly from the Gartner Lee report that there is a clear delineation of a second tier of impacted parties. As the minister said, there is no doubt that there is migration of this plume and that there will continue to be attenuation of it as it moves out; but there is not another set of home owners in the immediate vicinity of that migrating plume who could be adequately described as a second tier of impacted parties. We will be monitoring it with the holes and looking at the attenuation of this plume as it moves forward.

Briefly, in response to the member for Hamilton Mountain, we may need a discussion of the Gartner Lee report in some detail with him, and we are willing to do that. We did drill the first three holes in that Gartner Lee study, we went to depth and we conducted a wide scan of priority pollutants across all the water that was brought up from those holes using mass spectrometry.

We believe we zeroed in on the major contaminants that were disposed of in the Pauzé landfill site during the period in which industrial wastes reached that site. As the member knows, most of those wastes came from the metal finishing industry in Midland, and the predominant amount of material that went in there during that period was trichloroethylene from the degreasing solvents that were used in the metal finishing industry in Midland.

As the member has noted at times here, there was other evidence of paper waste and other things that got into that site, perhaps illegally; but to the best of our knowledge, there was no large amount of material that in any way related to the quantities of trichloroethylene.

Our mass spectrometry and the other tests we have done have convinced us that, to the best of our ability and using the best instrumentation we

can, we have looked at the range of pollutants that are there. We are not picking up the other things in those extensive tests down at the levels of parts per billion and parts per quadrillion that the minister talked about.

Mr. Charlton: Maybe we need a more thorough discussion of that.

Hon. Mr. Brandt: I will move on quickly; we do not have a lot of time. I want to move on to the PCB matter and to the questions that were raised with respect to the type of regulatory changes being proposed in the hearing process that is under way at the moment.

The difficulty we faced in the ministry with respect to site-specific approvals for each area in which polychlorinated biphenyls were located was that the private sector simply could not move the equipment and the technology it had within that equipment to a site-specific area—say, to Hamilton, where there are PCBs, or wherever—and go through the whole process, which would come under the Environmental Protection Act, to get approval to go ahead with one burn in one area or a chemical facilitation that could take place for lower levels of PCBs. There are essentially two types of technology available: one is a chemical mix and the other is the incineration type.

What we are dealing with in the proposals we have out there for regulatory reform is to bring in a series of regulations that will do a number of things. First, they will limit the amount of time the equipment can remain in a community. As an example—and I do not know yet, since the regulations are not in place, obviously—but we are suggesting something around 90 days.

Second, they would limit the period of time during which the equipment could be moved back into an area. Once it has gone into an area to dispose of PCBs, the equipment could not be brought back into the area for, say, a period of two years or something of that order.

Third, they would look at land uses in the context of the actual placement of the equipment, setback requirements and those kinds of things, to make sure the actual burn would take place in an area that would not endanger, even in the most remote way, human health in any shape or form, especially considering the high degree of purification that results from the type of incineration that is available now and through equipment, I might add, that has been tested and approved by the US Environmental Protection Agency for perhaps a couple of years.

The reality is that to bring in something that was economically feasible and environmentally

sound—and we are encouraging public input; we have talked to municipal councils—we plan on moving this equipment into only approximately 19 communities where about 75 per cent of all inventoried or warehoused PCBs are in existence. There is another 25 per cent that are scattered in very small amounts throughout the province. It is economically impossible for those areas to have the equipment moved in to dispose of a barrel or two barrels of PCBs; it just is not going to happen, at least from my vantage point.

What we are asking, on a controlled basis, is that the 19 communities accept their responsibility for disposing of 75 per cent of the PCBs, but that they also accept the responsibility of having the other 25 per cent, which is located in small communities throughout Ontario, brought in and disposed of in a controlled fashion in the major centres where the PCBs would be disposed of. That is the reason we have proceeded on this basis.

I can say without any fear of contradiction that if we went on a site-specific basis, the member and I would not live long enough to get rid of the 1.5 million litres that are out there, because we would have hearings and a whole public input session in every area that this equipment would be placed where, in fact, the conditions are identical throughout the province.

All we are doing is looking at appropriate regulatory reform that will bring in conditions which should be acceptable to all communities. That is all we are doing. We are not doing it in a vacuum where we are not looking for public input.

I remind the member that for one of the first times in the history of this ministry—and the member for Hamilton Mountain referred to whether some of the groups with whom we have had dialogue have influenced the decisions of this ministry—PCBs, regulatory reform and intervenor funding, and I underline that word, were specifically raised by some of the public interest groups who appeared either before me at my ministry or during discussions at the municipal meetings we have had to date. We are providing \$50,000 to assist people to tell us what they want us to do in the context of putting together appropriate regulatory reform.

If I have ever been satisfied with the way in which my ministry has moved to solve a very contentious, controversial, complicated problem, I have to say that this is one of the times, because this is one area where we have covered all the bases like a blanket to give adequate citizen input opportunities; but at the same time

we are protecting the environment in a way with which I can be satisfied.

I go to bed at night knowing that if this type of technology were located within a few hundred yards from my house, I would have no concerns whatever that my family, I personally or friends of my family would be affected in any way. I feel that strongly about it. The technology is good and the regulations are going to be good when we finish the process.

I will now introduce another assistant deputy minister. David, if you would like to launch forward and talk about PCBs for a moment, you can take over.

Mr. Redgrave: I would be glad to.

Mr. Chairman: Bearing in mind that we have got about one minute left.

Mr. Redgrave: There are systems in place for destruction of PCBs in other jurisdictions, as members are aware, in the United States. In Canada, we probably are leading in this. As the minister said, the problem is a complex one of technology. The technology, of a mobile order, is available in the United States. One should add the other comment that if and when the Ontario Waste Management Corp. gets a facility, ultimately it would take over this problem.

I reiterate that in all the discussions I have had with interested groups, they have urged us to get on with it, to make the process public and open, to focus on the technology, to bring in the technology and to get the job done. That is precisely what we have done at the technical level. We have tried to devise a set of regulatory constraints.

This is a form of class environmental assessment that we are trying to bring into play with ample opportunity for objection, ample opportunity for moderation or changes to what we are proposing and what we hope is ample opportunity for technical input from the public as well. It is not a closed process by any means.

12:30 p.m.

Mr. McGuigan: I guess I can find some agreement with that approach if one is satisfied that the hearing really encompasses all the things that would be available under an environmental hearing.

This is described as a class hearing. Are people coming in from all these 19 areas to a central point, and are they allowed to cross-examine and so on?

Hon. Mr. Brandt: Yes. Something like 200 identified individuals and groups have indicated they want to speak on this issue. It may be a little

less than that; I forget the exact number. That has been brought about as a result of the publicity that has been generated by our staff going to municipal councils. They are going to be intimately involved in the regulatory reform we bring forward.

Those meetings have been held in public. We have indicated what we propose to do and what the parameters are of the reforms to the regulation that we want to bring forward. However, we have an open mind about it in terms of such things as monitoring, setbacks and all the other things I mentioned.

They will have an opportunity to come forward through the hearing process and at individual meetings that will be held in the various areas that would be affected. It is a very open process.

Mr. McGuigan: Will \$50,000 fund 200 people coming to a central point?

Hon. Mr. Brandt: Appreciate the fact that in many instances there will be overlapping of positions; in other words, duplication of positions. What we are first going to do through the hearing panel is attempt to pick out the most responsible groups we can identify and those that reflect a broad spectrum of concerns related to the regulatory reform.

However, as an example, we will not fund every individual who comes forward and says, and there will be some who will say this, "PCBs should all be shipped to Scotland," where there happens to be a facility that is now closed to us; or, "PCBs should all be shipped to the United States," or to somebody else's backyard. That is a great position to have as long as you do not have to deal with the problem. However, I do not see any merit in our giving money for that sort of intervention.

I do see merit in interventionist funding going to a legitimate group that wants to talk about the appropriateness of the setbacks, for example. The type of PCB technology that is being proposed is a closed system. However, if they want to talk about the monitoring and any discharges or effluent that would be released to the atmosphere, or about those kinds of legitimate technical or scientific questions, we will fund those kinds of groups. We will try to be as fair as we can possibly be in our apportionment of the money.

Mr. Chairman, I will not go on at great length but I want to come to this point.

Mr. Chairman: I know you will not.

Hon. Mr. Brandt: I knew you would be asking me in a moment not to speak any longer,

because I could see out of the side of my eye that you were looking at the clock.

I want to get this point over with because I feel very strongly about it. The amount of money we have appropriated, \$50,000, is in effect breaking tradition to begin with. It is a brand-new field for us to get into. It is something that many public groups have asked us to get involved in because there is an expense.

Mr. McGuigan: I asked for it many times in regard to the Harwich dump.

Hon. Mr. Brandt: We are treading carefully with a new concept. I know the member does not necessarily hang on every word I say which is printed in the newspaper, but let me remind him that I have said publicly that I am sympathetic to intervenor funding and that I will work towards, and am setting up a committee to review, mechanisms to fund groups such as the ones that are responding to the PCB question. We hope to do it in a fair and equitable way.

At least, \$50,000 is a starting point. We could pick another number. We could pick \$100,000 or whatever. However, I think it is a good start in the right direction.

Mr. McGuigan: There is one further point. The minister says that every community is the same. For instance, in Hamilton or any place along the Niagara Escarpment where we have the mountains, do we not have a different air situation from what we might have in some other places?

Hon. Mr. Brandt: I would not think that would be a serious point, because with a closed system one is not discharging or releasing any contaminants into the air. This particular type of technology has a burn purification of 99.9999 per cent, which is virtually nonexistent in terms of any discharge. **Mr. Redgrave,** do you want to respond to that?

Mr. Redgrave: That is exactly it. We are not dealing with large systems; we are dealing with small systems. There might be local variations in weather patterns, and part of the regulatory structure may involve siting in such a way that those will not impact on the operation, such as near towers or near wind scoops and so on, but generally that would not be a major consideration; it will be there.

Mr. Chairman: With those remarks, we shall adjourn until eight o'clock tomorrow evening and continue with the minister's response at that time.

The committee adjourned at 12:35 p.m.

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Brandt, Hon. A. S., Minister of the Environment (Sarnia PC)

Charlton, B. A. (Hamilton Mountain NDP)

McGuigan, J. F. (Kent-Elgin L)

From the Ministry of the Environment

Caplice, D. P., Assistant Deputy Minister, Regional Operations Division

Dyer, Dr. A., Deputy Minister

Redgrave, D. E., Assistant Deputy Minister, Environmental Planning Division

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